



2000 British Columbia Financial and Economic Review

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Cover Photo

British Columbia's Parliament Buildings at dusk.

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Message from the Minister

Readers of the *British Columbia Financial and Economic Review* will know that this publication provides a wealth of information on the province's economy and finances, including descriptions of the province's people, industries, major government programs, and activities of its Crown corporations for the year.

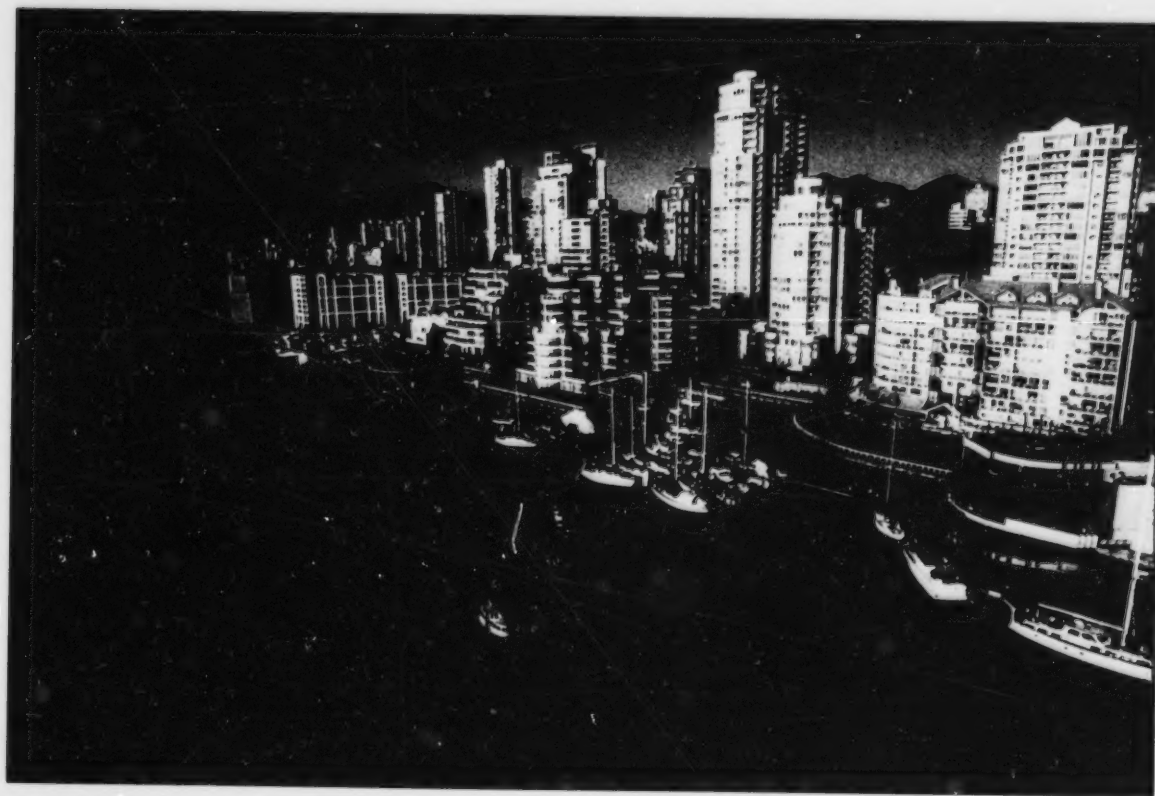
Frequent readers will also know that the publication undergoes a transformation every decade or so. It has been 10 years since the last make-over of the *Review*, and this year's edition — the 60th — has undergone a major transformation.

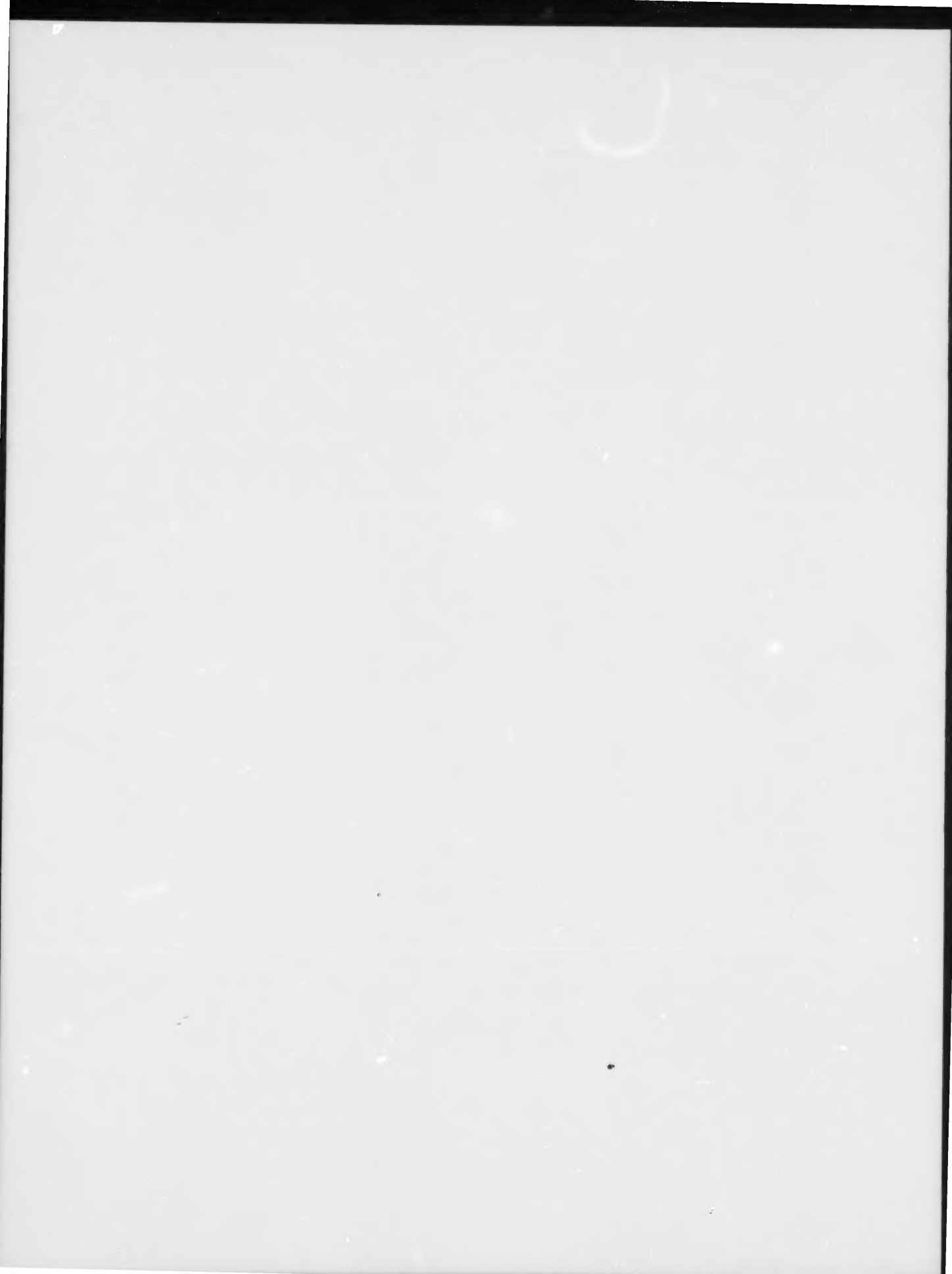
The publication has been streamlined to three chapters from seven — Chapter 1 looks at the provincial economy, demographics and industrial structure; Chapter 2 reviews provincial finances in 1999/00; and Chapter 3 provides information on provincial programs and their accomplishments in 1999/00. This restructuring has, I hope, made it a more readable product while maintaining its value as an information resource.

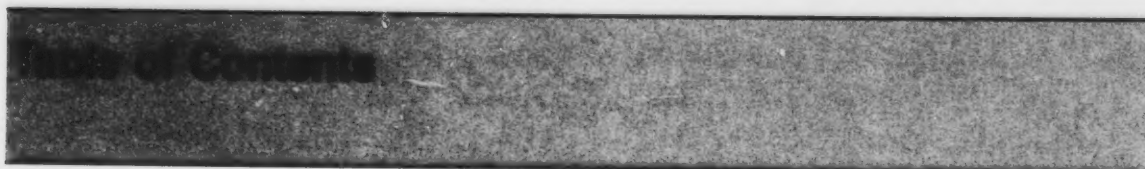
How did we do? I encourage you to complete the enclosed survey and return it in the pre-paid self-addressed envelope. I look forward to receiving your feedback.

Paul Ramsey
Minister of Finance and Corporate Relations

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Chapter One

Economic Review



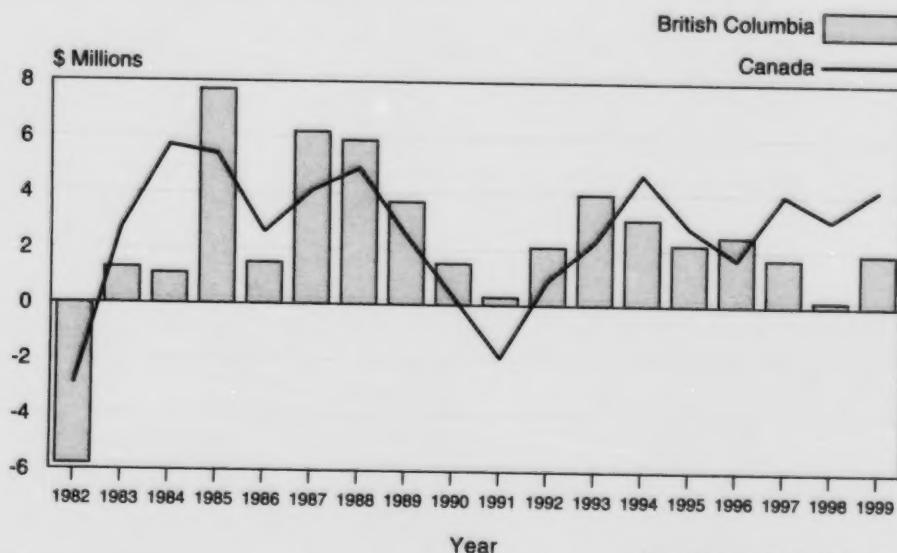
NECAR 4 — powered by a Ballard fuel cell and emitting only water vapour

Chapter 1 Economic Review

1999 Overview

The British Columbia economy is estimated to have grown about 2 per cent in 1999, a much-improved performance from 1998. Exports and manufacturing shipments grew strongly early in the year, recovering along with some of the Asian economies, but driven mainly by a red-hot economy in the United States.

Chart 1.1 Real GDP Growth



Source: Statistics Canada; Average of private-sector forecasters for British Columbia, 1999

Consumer spending and housing activity were slow through mid-1999 but began to pick up during the second half. Employment grew little until the fourth quarter. Nevertheless, the average level of employment was higher in 1999 than the year before and, as a result, the unemployment rate fell. Net out-migration to the rest of Canada continued through the year.

Business conditions were mixed overall, but improved during the year. The forest industry staged a strong recovery and rapid growth occurred in the high-technology, information and service sectors. Low metal and coal prices led to a temporary closure of the province's largest copper producer and reduced coal production in the Northeast. Corporate profits and business investment appear to have picked up as the year progressed. Wage and price inflation increased from 1998, but remained low.

¹ Chapter 1 and Appendix 1 are based on information available as of July 28, 2000.

External Environment

World output grew 2.3 per cent in 1999, down from 2.5 per cent in 1998, according to the International Monetary Fund. North American economies expanded strongly with the United States the main engine of growth. The Asian economies, with the exception of Japan, partly recovered from their steep downturn in 1997 and 1998. Growth in the European economies improved in 1999 as France, the United Kingdom and Germany posted stronger growth.

International Economy

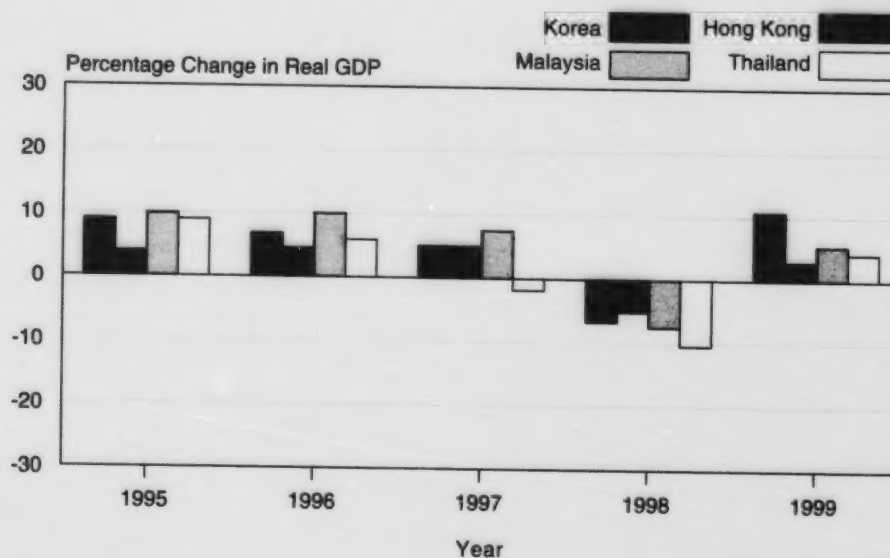
For the fourth year in a row, the United States economy turned in a stronger performance than was expected at the beginning of the year. The economy grew 4.2 per cent in 1999, down from 4.4 per cent in 1998. 1999 marked the eighth consecutive year of expansion in the United States economy.

Consumer spending and housing investment were particularly strong, resulting in real personal expenditures growing 5.3 per cent and real residential investment increasing 7.4 per cent. Housing starts totaled 1.67 million units, up 3.1 per cent from 1998. With the U.S. dollar strong against most other currencies during the year, low-cost imports continued to flood into the U.S. As a result, the U.S. net export deficit continued to widen.

A booming economy and tight labour markets raised fears that inflation would pick up. As a result, long-term interest rates rose from 5.4 per cent in January to over 6.6 per cent at the end of the year.

Strong U.S. demand helped fuel recoveries in several Asian economies. Korea, Hong Kong, Thailand and Malaysia bounced back in 1999, while Indonesia continued to struggle. Japan fought against weak consumer spending and investment, and rising government debt. The Japanese economy grew just 0.3 per cent in 1999, following a 2.5 per cent contraction in 1998.

Chart 1.2 Asian Economies



Source: International Monetary Fund

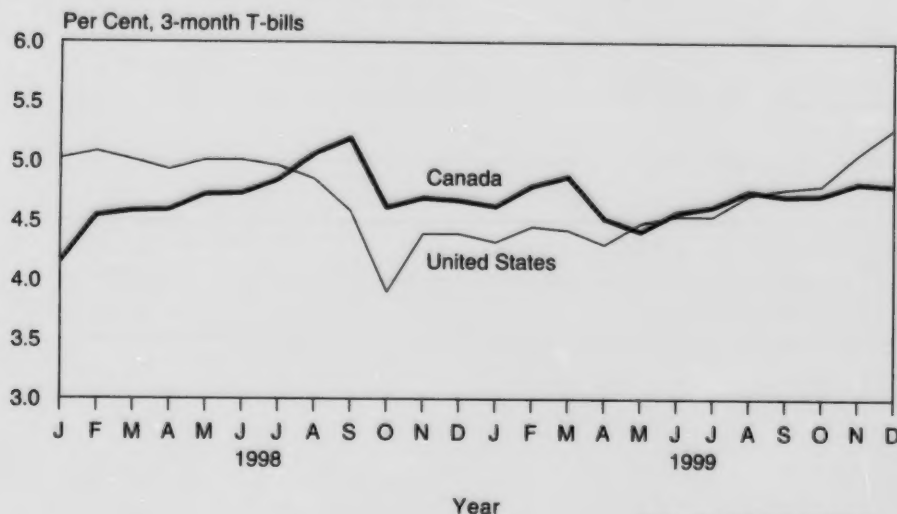
Financial Markets

In contrast to 1998, there were no violent upheavals in global financial markets during 1999. Interest rate reductions by the U.S. Federal Reserve and other central banks in the latter part of 1998 helped the Asian countries along the road to recovery in 1999. However, as global economic growth picked up, commodity prices firmed and concerns about inflation emerged. Rising long-term interest rates failed to slow growth in the U.S. As a precautionary measure, the U.S. Federal Reserve adopted a tighter monetary stance, raising short-term interest rates three times beginning in June 1999.

In Canada, modest inflation cleared the way for two one-quarter percentage-point interest rate cuts in the first half of 1999. However, as the Canadian economy approached potential, the Bank of Canada moved to a tightening stance.

The Bank of Canada raised short-term interest rates by a quarter point in November, to counter any emerging inflationary tendencies in the Canadian economy. As a result, short-term interest rates averaged 4.68 per cent in 1999, virtually unchanged from 1998.

Chart 1.3 Short-Term Interest Rates



Source: Bank of Canada and Federal Reserve Bank of San Francisco

The value of the Canadian dollar was supported by rising commodity prices but still weakened against the U.S. dollar. For the year, the Canadian currency averaged 67.3 cents U.S., down a tenth of a cent from 1998. The dollar appreciated against most other currencies.

Stock prices in the U.S. rose 22.3 per cent (S&P 500) while in Canada, the TSE 300 composite index rose just 4.5 per cent. However, with investors focused on Internet and other high-technology sectors, money flowed to "new economy" U.S. stocks rather than the more resource-oriented Canadian equities market. Canadian new-economy stocks performed well but the TSE 300 index was held back by lack of interest in resource company equities and other perceived "old economy" stock groups.

The Canadian Economy

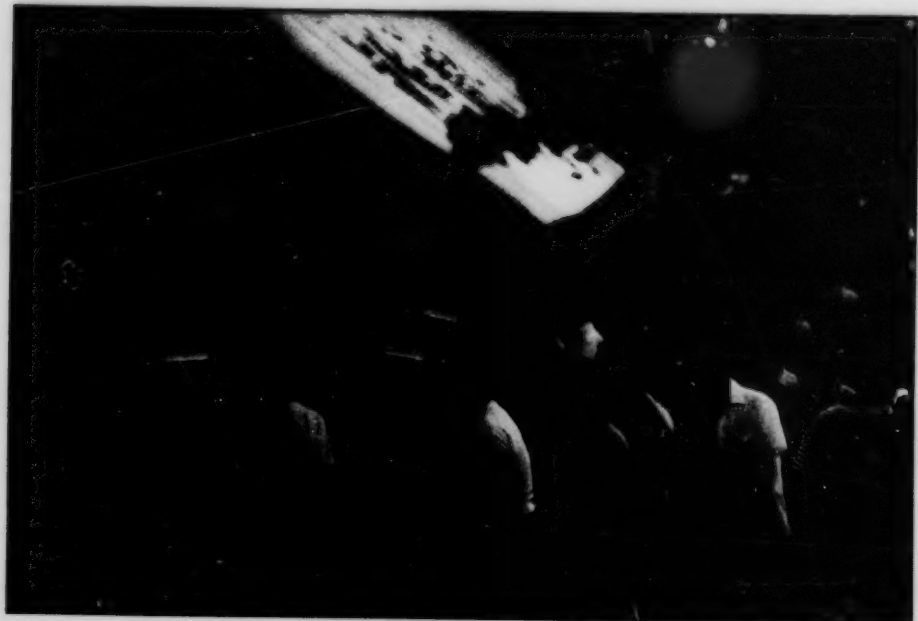
Once again, the Canadian economy benefited from U.S. strength. The Canadian economy ended 1999 on a high note, marking the 18th consecutive quarterly rise in GDP. This latest expansion is the longest since a 23-quarter stretch that ended in the fourth quarter of 1966. For the year, real GDP in Canada was up 4.5 per cent compared to 3.3 per cent in 1998.

Growth in Canada's economy was broadly based with consumer spending, business and residential investment making contributions. Real business investment rose 9.4 per cent in 1999, led by investment in machinery and equipment. Residential investment rebounded with a 6.6 per cent increase. Real consumer spending increased 3.5 per cent, up from 2.9 per cent in 1998. Real government expenditure growth slowed to 1.3 per cent in 1999 from 1.6 per cent in 1998.

Labour market developments mirrored the strong economy. The unemployment rate fell to 7.6 per cent in 1999, from 8.3 per cent in 1998, as employment growth outpaced labour force growth. Employment increased 2.8 per cent in 1999, a gain of 390,800 jobs. Full-time employment rose by 382,600 jobs and part-time employment by 8,100 jobs. All of the job growth was in the private sector.

Total wages and salaries increased 5.1 per cent in 1999, reflecting growth in employment and average weekly wages. Personal income rose 4 per cent in 1999. Inflation was a modest 1.7 per cent, up from 1.0 per cent in 1998. Core inflation — which excludes volatile food and energy prices and indirect taxes — was also 1.7 per cent, near the middle of the Bank of Canada's 1 to 3 per cent target band. Wage settlements averaged 2.0 per cent, up from 1.6 per cent in 1998.

Solid income gains contributed to increased consumer confidence during the year, helping to boost retail sales 5.7 per cent. Housing starts surged 9.1 per cent to 149,968 units following a decline in 1998. Most of the increase occurred in Ontario and Quebec, reflecting the strength in those provincial economies. Other indicators suggest the Canadian housing market was healthy in 1999. Existing home sales rose 6.6 per cent, following a 4.7 per cent decline in 1998 and average prices rose 3.8 per cent as real estate market activity picked up.



Vancouver's China Town

British Columbia Economy

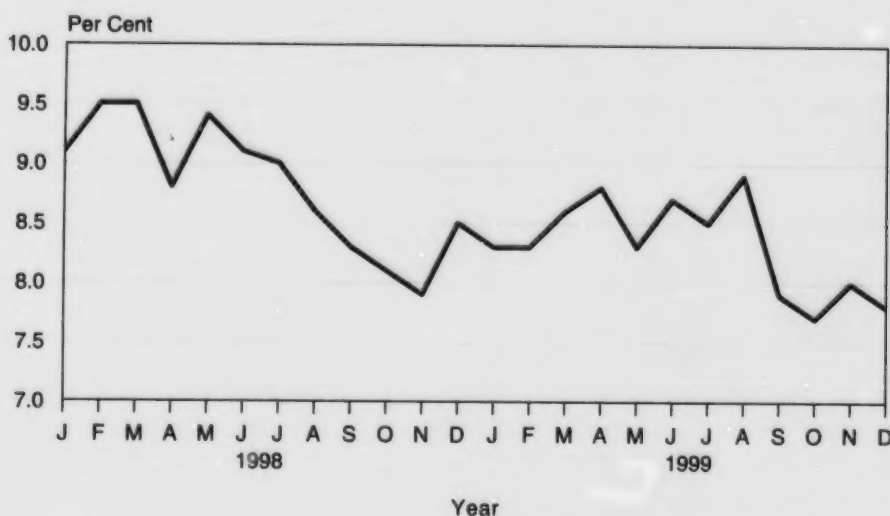
Introduction

The British Columbia economy is a relatively small open economy, trading in competitive world markets. British Columbia has a diverse geography, population and economy. This section of Chapter 1 describes the province's economy in terms of the components of real GDP, underlying population trends and characteristics as well as recent developments in key economic indicators including the labour market, capital investment and trade. The provincial economy is also described in terms of industrial structure with developments by industry highlighted. Finally, the performance of the province's eight development regions is discussed.

Real GDP

The British Columbia economy grew an estimated 1.9 per cent in 1999, according to the average of private sector forecasters. Consumer spending, which accounts for about two-thirds of GDP, was stronger than in 1998. Capital investment, led by machinery and equipment investment, also contributed to economic growth. Rising demand for British Columbia exports made a positive contribution as well. The province's unemployment rate fell in line with the better-than-expected performance of the economy (see Chart 1.4).

Chart 1.4 British Columbia Unemployment Rate



Source: Statistics Canada

Population

Population growth contributes to demand for consumer goods and services and housing and is one factor in determining the size of the labour force. British Columbia's population as of December 31, 1999 was 4,043,658, an increase of 0.9 per cent, or 34,883 from a year earlier.

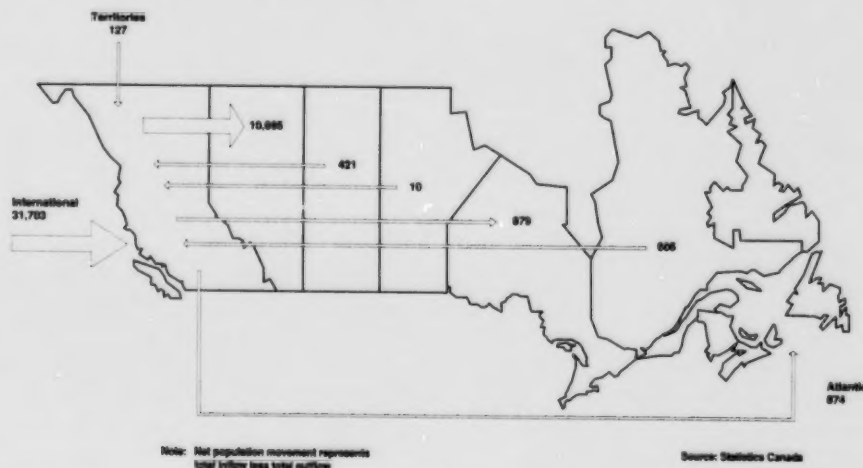
Components of Population Change

Population changes can be divided into two components: migration, which encompasses both the movement of people to and from the province, and natural increase, which is the net result of births minus deaths.

During 1999, there was a net population outflow to the rest of Canada of 11,285 persons, the second consecutive year that British Columbia has lost population to the rest of Canada. This was largely the result of a net outflow of population to Alberta, reflecting its strong economic growth and falling unemployment rate relative to British Columbia. There were also net outflows of population to Ontario and the

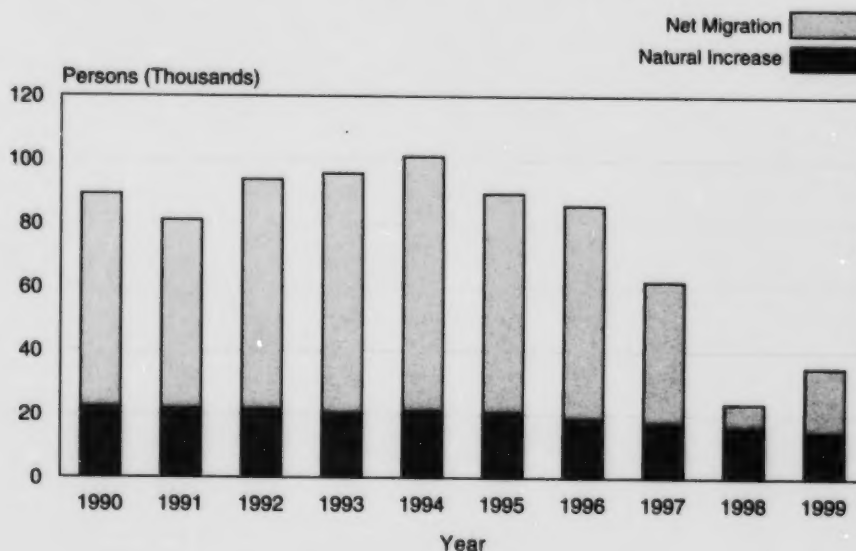
Atlantic region, while net inflows were recorded from other parts of Canada (see Map 1.1). Despite the net outflows to the rest of Canada, there was a net gain of 31,703 people through international migration, for a total net migration gain of 20,418 people.

Map 1.1 Net Population Movement, 1999



Over the past 10 years, net migration has accounted for 76 per cent of the province's population growth, with natural increase accounting for the remainder. Chart 1.5 displays the relative importance of the two components of population growth from 1990 to 1999. The natural increase has fallen gradually, while net migration has fluctuated with economic cycles.

Chart 1.5 Major Components of British Columbia Population Change



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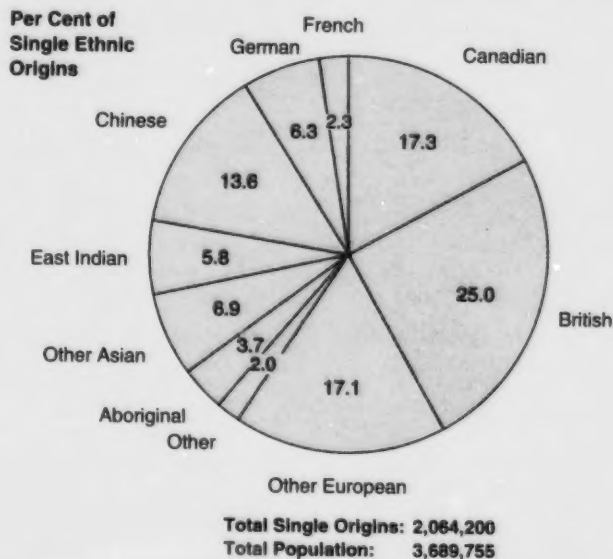
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British Columbia's population represents 13.2 per cent of Canada's total population. This is an increase from an 11.8 per cent share in December 1989, and reflects an average annual compound increase in population of 2.2 per cent. The national annual increase over the same period was 1.1 per cent. See Appendix A1.2 for municipal population estimates.

British Columbia's Ethnicity

British Columbia has a diverse ethnic mosaic. Traditionally, British has been the most common ethnic origin, followed distantly by other European groups. With the shift in immigration patterns for the province, there has been a corresponding gradual shift in the province's ethnic make-up. While British is still by far the most common ethnic origin, some Asian groups have surpassed other European groups. Results from the 1996 Census indicate that the proportion of people reporting Chinese as a single ethnic origin continued to grow, and was more than double the proportion reporting German as their single ethnic origin.

Single Ethnic Origins in British Columbia, 1996



Source: Statistics Canada, 1996 Census

Age Structure of the Population

The age structure of British Columbia is shaped largely by the post-war baby boom and the subsequent drop in birth rates. The effects of the baby boom can easily be seen in the bulge in population between the ages of 25 and 44. This age group accounted for 32.1 per cent of the population in 1999 (see Chart 1.6 and Table 1.1).

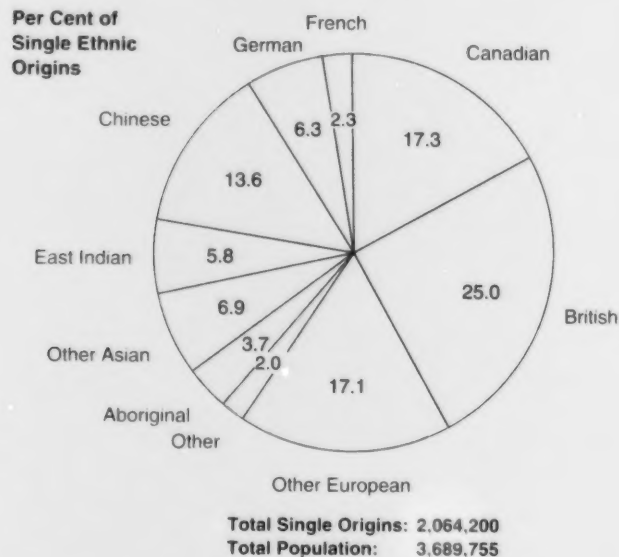
As the baby-boom generation ages, so too will the province's overall population. The median age in 1999 was 37.0 years, compared to 33.9 years in 1989. The combination of increased life expectancies and low fertility rates relative to the past ensure that this ageing trend will continue. Population ageing is reflected in the growing proportion of the population between the ages of 45 and 64 years. In 1999, 23.3 per cent of population was between the ages of 45 and 64 years, up from 19.6 per cent in 1989. As baby boomers progress, this age group will grow even faster. This is a significant factor driving demand for health services.

British Columbia's population represents 15.2 per cent of Canada's total population. This is an increase from an 11.8 per cent share in December 1989, and reflects an average annual compound increase in population of 2.2 per cent. The national annual increase over the same period was 1.1 per cent. See Appendix A1.2 for municipal population estimates.

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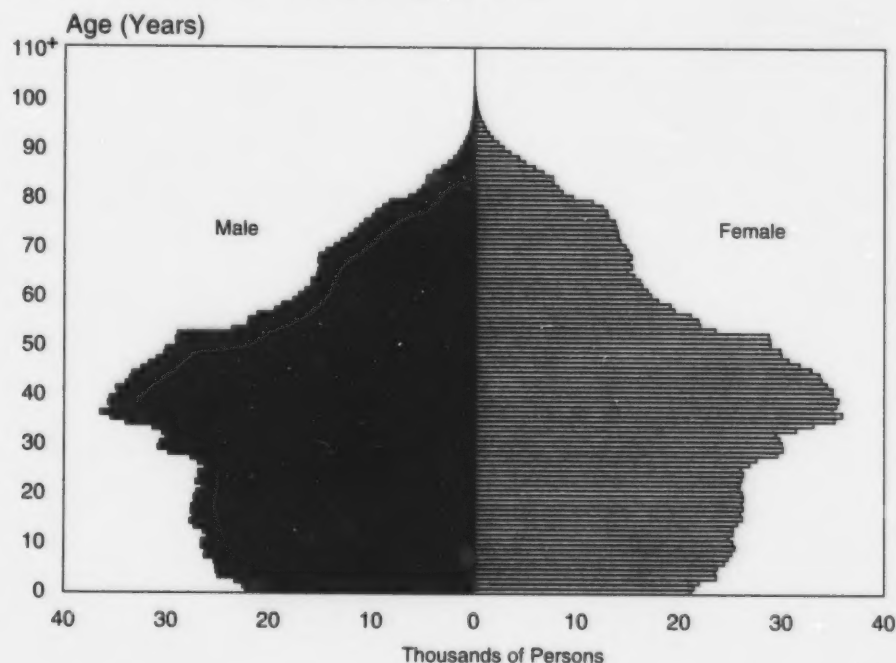
Source: Statistics Canada, 1996 Census

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Chart 1.6 BC Population by Age and Sex, 1999



Source: Statistics Canada

Table 1.1 British Columbia Population by Age Group

Age Group	At July 1				Change
	1989		1999		1989-1999
	(thousands)	(per cent)	(thousands)	(per cent)	(per cent)
0-4.....	219	6.9	230	5.7	4.8
5-17.....	546	17.1	674	16.8	23.4
18-24.....	326	10.2	372	9.2	14.0
25-44.....	1,078	33.7	1,290	32.1	19.7
45-64.....	627	19.6	938	23.3	49.6
65 and over.....	402	12.6	519	12.9	29.2
British Columbia total.....	<u>3,199</u>	<u>100.0</u>	<u>4,023</u>	<u>100.0</u>	25.8

Source: Statistics Canada.

Regional Population Change

Population growth in British Columbia over the last 10 years was concentrated in two regions — Mainland/Southwest and Thompson/Okanagan (see Appendix Table A1.3). The Thompson/Okanagan region, which increased its share of provincial population to 12.1 per cent from 11.6 per cent, had the highest growth rate during this period. The Mainland/Southwest region, which contains the Greater Vancouver Regional District, increased its share of total provincial population to 57.0 per cent from 55.7 per cent. Almost all other regions experienced some decline in their share of the total population.

Labour Force Characteristics

British Columbia has a skilled and knowledgeable workforce. In 1999, 50.1 per cent of the labour force had a university degree, post-secondary certificate or diploma, up from only 28.5 per cent ten years earlier. Over half of the workforce is between the ages of 25 and 44, although the share of 45 to 64 year olds has increased since 1989, reflecting the ageing of the province's population.

Table 1.2 Characteristics of the British Columbia Labour Force

Characteristics	1989		1999	
	(thousands)	(per cent)	(thousands)	(per cent)
Labour force.....	1,659	100.0	2,079	100.0
Sex				
Male.....	937	56.5	1,120	53.9
Female.....	722	43.5	960	46.2
Age group				
15-24.....	326	19.7	321	15.4
25-44.....	903	54.4	1,075	51.7
45-64.....	412	24.8	655	31.5
65 and over.....	17	1.0	29	1.4
Educational attainment				
0-8 years.....	98	5.9	47	2.3
9-13 years.....	878	52.9	757	36.5
Some secondary.....	—	—	271	13.0
Graduated from high school.....	—	—	487	23.4
Some post-secondary.....	210	12.7	234	11.3
Post-secondary certificate or diploma.....	241	14.5	654	31.5
University degree.....	232	14.0	387	18.6

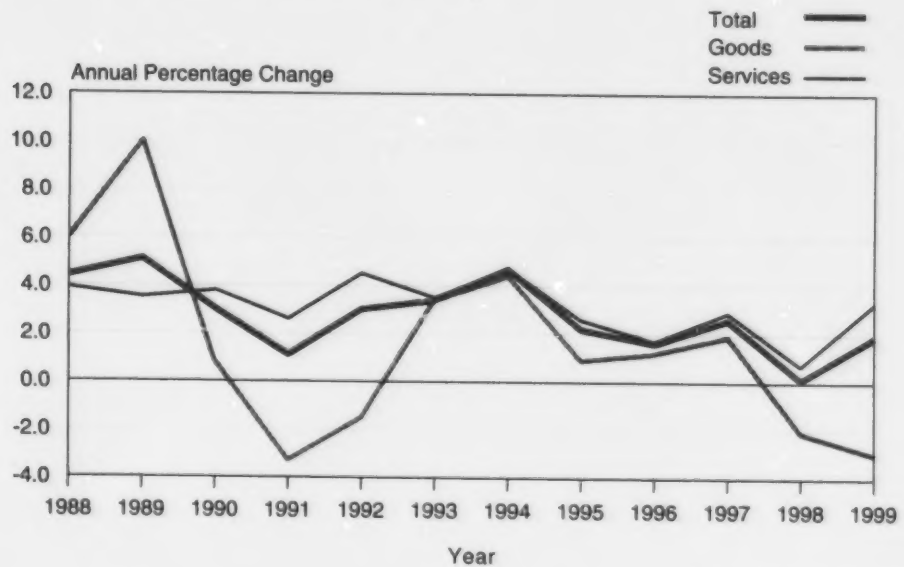
Source: Statistics Canada.

Labour and Income Developments

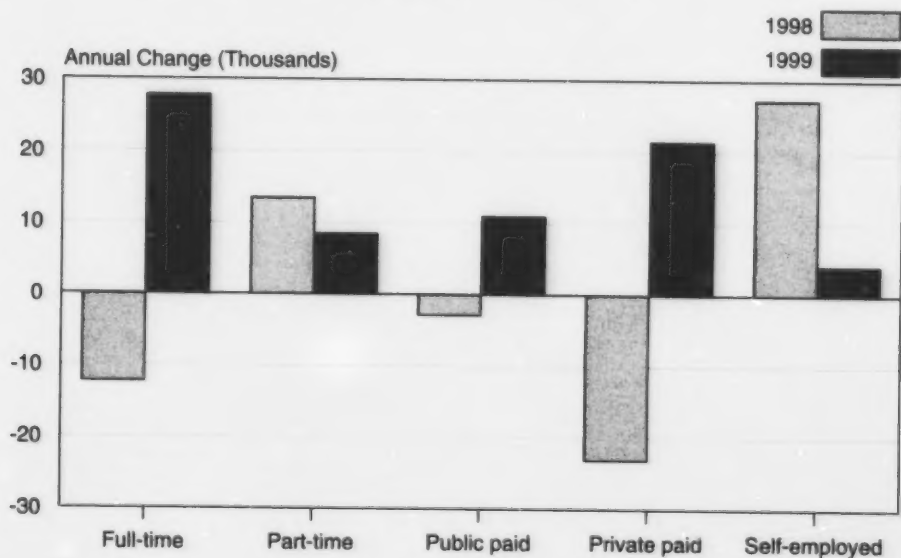
Strong growth in British Columbia's service sectors, including high technology and communications, contributed to a rebound in employment in 1999. Total employment rose 1.9 per cent in 1999, a gain of 36,200, following almost no growth in 1998. Most of the increase was due to higher full-time and paid private sector employment. The unemployment rate fell from 8.8 per cent in 1998 to 8.3 per cent in 1999.

Other significant labour market and income developments for 1999 included:

- a 2.1 per cent increase in female employment and a 1.8 per cent increase in male employment. Despite the rebound in male employment in 1999, the level remained below 1997's peak.
- full-time employment rose by 27,900 while part-time employment increased by 8,400.
- a 3.3 per cent increase in service sector employment, while goods sector employment declined 3.0 per cent (see Chart 1.7).
- a 1.9 per cent increase in private sector employment, or 21,500 jobs, which accounted for more than half of the gain in total employment (see Chart 1.8). The number of paid private and public employees was up 2.2 per cent.
- self-employment rose 1.1 per cent, or 4,100 jobs and, as a result, the share of self-employment fell to 20.6 per cent of total employment.

Chart 1.7 British Columbia Employment

- the participation rate (the labour force as a percentage of the working age population) rose to 65.1 per cent in 1999, up from 64.9 per cent in 1998.
- There were 56 work stoppages in 1999 affecting 28,324 workers. The number of worker days lost due to labour disputes was 227,462, down from 274,130 in 1998. Days lost due to labour disruptions in the province have been declining since 1997.

Chart 1.8 Composition of Employment

Prices and Wages

Both prices and wages recorded modest increases in 1999. The British Columbia consumer price index (CPI) rose 1.1 per cent in 1999, up from 0.3 per cent in 1998. Shelter costs declined due to lower mortgage rates and housing prices. A rebound in gasoline prices from 1998 lows contributed to higher transportation costs.

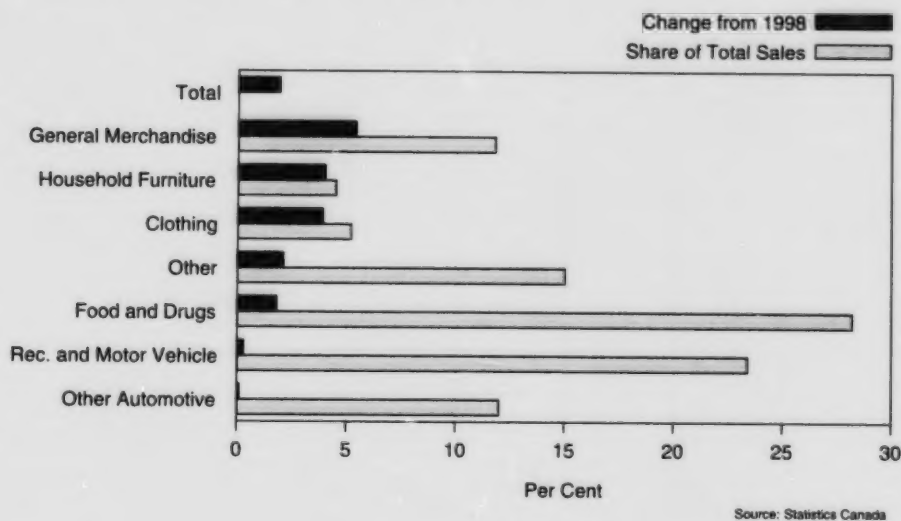
Wage increases reached in collective agreements averaged 0.8 per cent, slightly higher than the 0.7 per cent average recorded in 1998 and below the 2.2 per cent Canadian average.

Consumer Expenditure and Housing

Consumer spending was soft in the first half of 1999 but picked up during the second half of the year. The total value of retail sales rose 1.9 per cent in 1999, following a 2.0 per cent decline in 1998. General merchandise, household furnishing, and clothing stores contributed most of the increase (see Chart 1.9). New motor vehicle sales, excluding recreational vehicles, were up in terms of volume and value.

Consumer bankruptcies rose 11.7 per cent to 8,179 in 1999.

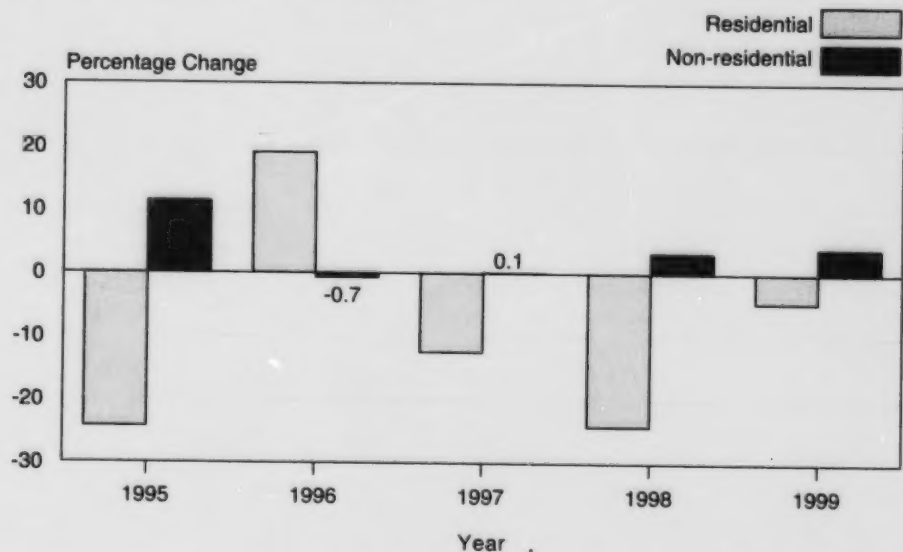
Chart 1.9 Retail Sales by Trade Group, 1999



Housing starts in the province fell during the first three quarters then picked up in the final quarter of 1999 alongside the general improvement in economic conditions. For the year, housing starts totalled 16,309, down from 19,931 units in 1998. Existing house prices were unchanged from 1998 while new home prices were down 4.3 per cent. Resale activity picked up and the volume of sales rose 10 per cent.

As a result of weak housing demand and lower prices, the value of residential building permits fell 4.6 per cent to \$2.6 billion. However, non-residential permits rose 4 per cent to \$2.1 billion. The increase came from the government and institutional sector, as well as industrial permits. The value of commercial building permits declined in 1999.

Chart 1.10 Building Permits by Type

**Capital Investment**

Total investment in the province rose 3.2 per cent to \$20.7 billion in 1999 (see Table 1.3). Public sector investment rose 21.1 per cent. Private sector investment — which accounts for almost 80 per cent of total investment — fell 0.7 per cent. Residential investment was down 7.5 per cent consistent with the fall in housing starts, while non-residential investment rose 3.2 per cent, due to increased machinery and equipment spending in the manufacturing, business, real estate and finance sectors.

Table 1.3 British Columbia Capital Investment, 1999

	Construction		Machinery and Equipment		Total	
	(\$ millions)	(per cent change)	(\$ millions)	(per cent change)	(\$ millions)	(per cent change)
Public.....	3,212.80	27.9	1,098.40	5.0	4,311.20	21.1
Private.....	9,715.20	-5.4	6,661.20	7.1	16,376.50	-0.7
Residential.....	5,569.30	-7.5	—	—	5,569.30	-7.5
Non-residential	4,145.90	-2.5	6,661.20	7.1	10,807.10	3.2
Total.....	12,928.00	1.1	7,759.60	6.8	20,687.60	3.2

Source: Statistics Canada.

The increase in machinery and equipment investment in 1999 reflected purchases of new computer equipment to deal with the Year 2000 date change.

Investment figures for 1999 include spending on major capital projects across the province including:

- the Southern Crossing Pipeline project;
- the Keenleyside powerplant project; and
- the Alliance Pipeline project.

Other major projects under construction in 1999 included several public sector projects (hospitals in Port Alberni and Victoria), bridge repair work (Lions Gate Bridge, Port Mann Bridge and the John Hart Bridge) as well as residential developments. The Vancouver International Airport completed the construction of the international arrivals and departures wing and began expansion of the domestic and south terminals. Two notable expansions started in 1999 at the Predator Ridge Golf Resort and the Silver Star Ski Resort, both located near Vernon.

Exports

The value of foreign merchandise exports rose 10.2 per cent in 1999. Exports to the U.S. — the destination for two-thirds of British Columbia's exports — grew 18.5 per cent, due to higher exports of lumber, machinery and equipment, and energy, pulp and paper products. The value of exports to Japan fell 5.8 per cent due to continued weakness in the Japanese economy. Exports to the Pacific Rim excluding Japan rose 7.0 per cent, reflecting the improvements in the Asian economies outside of Japan. Exports to the European Union fell 6.3 per cent, mainly due to lower shipments of coal, paper products (excluding newsprint) and processed salmon.

The rise in the value of merchandise exports was due to increased volumes and higher prices in 1999. The Ministry of Finance and Corporate Relations' British Columbia export commodity price index rose 6.9 per cent in Canadian dollar terms and 6.7 per cent in U.S. dollar terms. Low levels of inventories combined with increased demand from the U.S. and Asia put upward pressure on commodity prices.



Cargo Ships at the Port of Vancouver

(photo courtesy of Port of Vancouver)

After hitting bottom at the end of 1998, pulp prices rose steadily through 1999 due to rising demand and low inventories. For the year, pulp prices averaged \$522 U.S. per tonne, a 1.3 per cent increase from 1998. Appendix Table A1.13 provides historical key export prices.

Lumber prices hovered around \$325 U.S. per thousand board feet during the first four months of 1999. As U.S. housing starts increased above the year-earlier record levels, lumber prices took off, peaking at \$438 in mid-July. Lumber prices then fell below \$300 in early October before ending the year near \$325. For the year, prices averaged \$341, up 19.2 per cent from 1998.

Newsprint prices fell in the first three quarters of 1999 from \$570 U.S. per tonne in January to \$470 U.S. before recovering to \$515 at year end. Newsprint price gains lagged pulp prices, turning up near the end of the year. As a result, newsprint prices averaged \$513 per tonne in 1999, down 13.8 per cent from 1998.

Highland Valley Copper, British Columbia's largest producer of copper ore, closed for 6 months beginning in May 1999 due to low copper prices. Copper prices rose during the final quarter to end the year at 83.7 cents U.S. per pound. For the year, prices averaged 72 cents U.S. per pound, a 4 per cent drop from 1998.

Natural gas prices were bolstered in 1999 by weather-related demand and a run-up in crude oil prices during the year. The price of natural gas (measured at the Sumas, British Columbia border crossing) averaged \$2.15 U.S. per million British Thermal Units in 1999, up from \$1.61 U.S. in 1998.

Industry Review

In 1999, an increase in employment in the service-producing industries was partly offset by a decrease in employment in the goods-producing industries. Goods sector employment fell during the first half of the year but picked up during the second half, adding almost 20,000 jobs between July and December. As a result of the first half weakness, the goods-sector annual average was down from 1998.

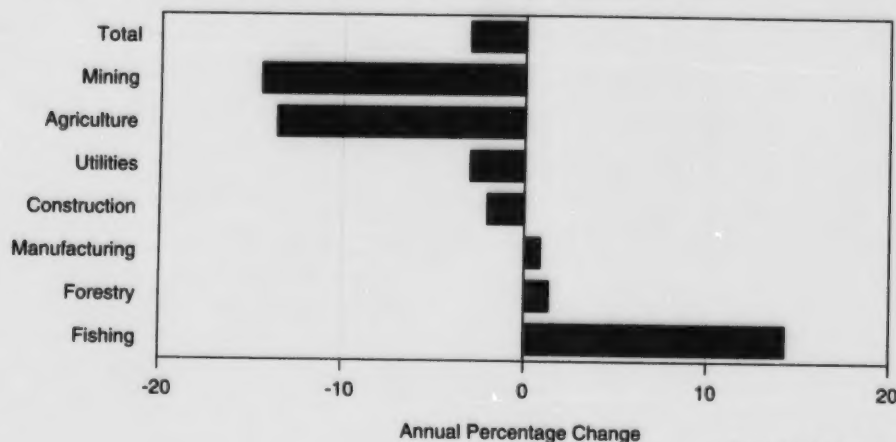
North American Industrial Classification System (NAICS) and the Standard Industrial Classification (SIC) System

In 1999, Statistics Canada moved employment and labour force data to the NAICS framework, a more up-to-date classification system than the previous SIC. Real GDP data has not yet been reclassified into the NAICS framework. As a result, industry definitions are slightly different for the two sets of data. For example, communications is now part of information, culture and recreation rather than transportation, communications and warehousing. To maintain some comparability with GDP and employment, this section restates the employment data as closely as possible to the 1980 SIC categories.

Goods-producing Industries

There are seven main industry groups within the goods-producing sector: agriculture, fishing, forestry, mining, manufacturing, construction and utilities. These industries together generated 25 per cent of British Columbia's estimated GDP in 1998 and employed 21 per cent of the province's 1.9 million workers in 1999². Within the goods sector, the largest industry is manufacturing, which accounts for almost half of the jobs and just under 40 per cent of the sector's GDP.

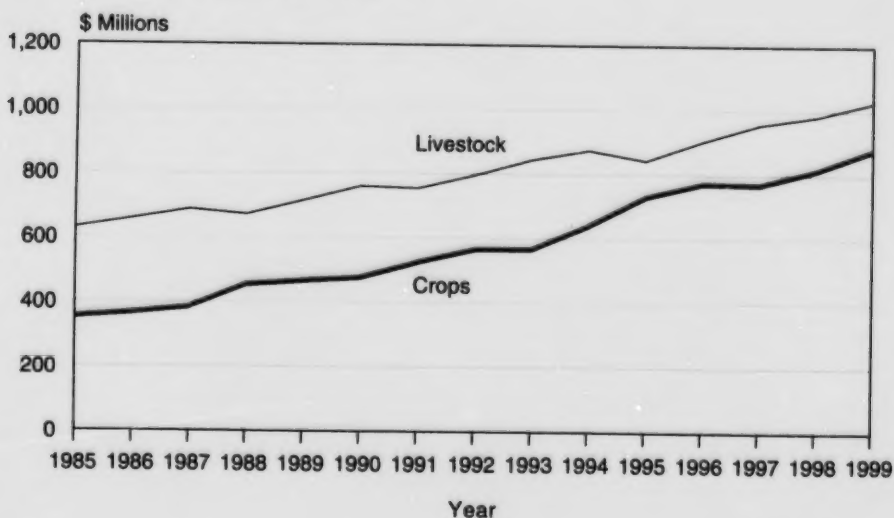
² Statistics Canada had not released 1999 GDP by industry for the provinces by the time of publication. References in this section to GDP are for 1998, while employment and other indicators are for 1999.

Chart 1.11 Goods-Producing Industries Employment, 1999

Source: Statistics Canada

Agriculture

In 1999, farm cash receipts were up 6.2 per cent from 1998, with the increase evenly split between crops and livestock. Employment in agriculture totalled 28,600 persons in 1999, down 13.5 per cent from 1998, and accounted for 1.5 per cent of total employment. A decline in employment in crop production from its 1998 peak accounted for most of the 1999 job loss. Some of the province's new agricultural products experienced price declines in 1999. For example, ginseng prices fell sharply as the world market was flooded with excess supply.

Chart 1.12 Farm Cash Receipts

Source: Statistics Canada

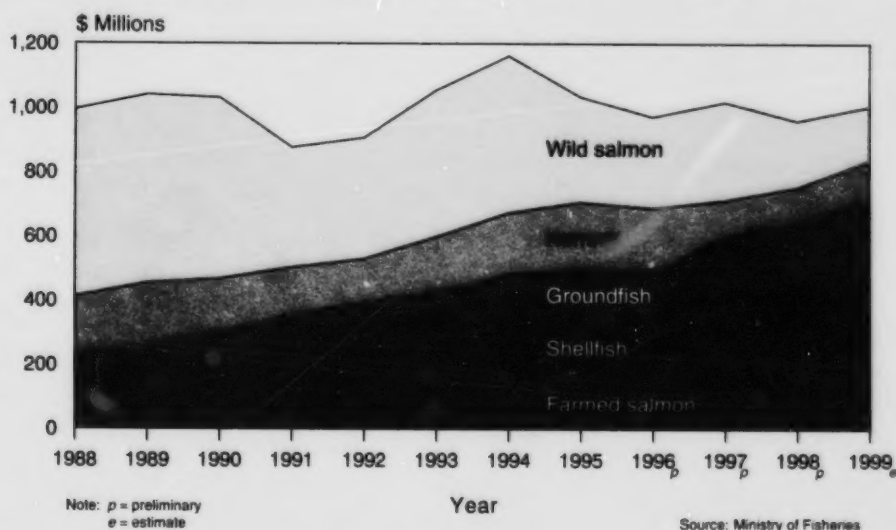
Fishing, Hunting and Trapping

Employment in the fishing, hunting and trapping sector rose to 4,000 persons in 1999, from 3,500 in 1998. Employment levels have been declining through most of the 1990s as a result of fishing fleet reductions designed to protect threatened salmon stock. The number of commercial licenses declined from 4,100 in 1996 to 1,893 in 2000 as federal government buyout programs reduced the fleet.

British Columbia's seafood industry continued to expand into new species and products in 1999. The total provincial seafood harvest fell slightly to 266,000 tonnes with declines in the wild salmon, roe herring, halibut and shellfish catches. However the industry was buoyed by farmed salmon which contributed 18 per cent of the total provincial harvest. In 1999, total landed value of the seafood harvest was \$614 million.

Increased focus on value-added processing of all species resulted in a higher wholesale value for British Columbia seafood. Finished processed products generated an estimated wholesale value of just over \$1 billion in 1999 (see Chart 1.13 and Appendix Table A1.15).

Chart 1.13 Wholesale Value of British Columbia Seafood by Species



Exports of fish products totalled \$842 million in 1999, up 4.7 per cent from 1998. Most of the increase was due to higher exports to the U.S. (up 18.8 per cent to \$531 million). The value of fish products exported to Japan fell 15.0 per cent.

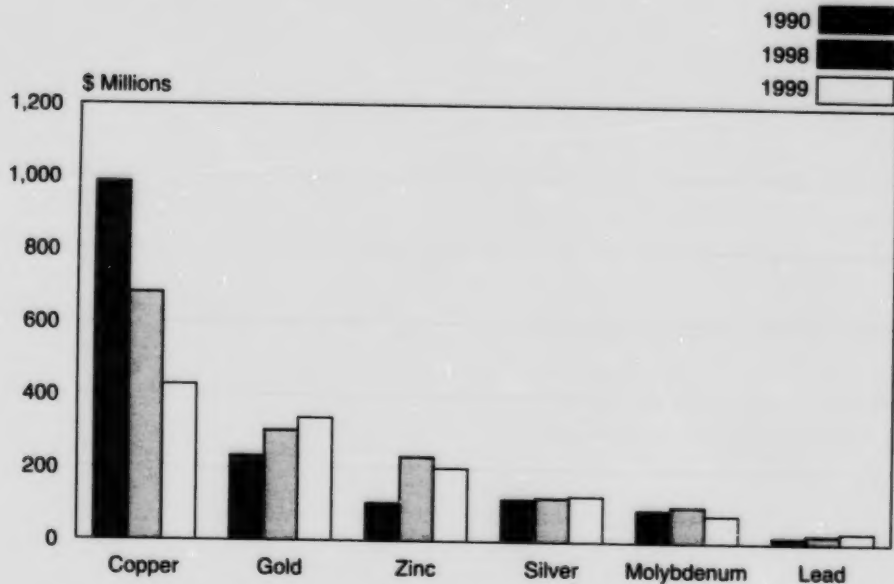
Mining, Quarrying and Oil Wells

Most of British Columbia lies within the Western Cordillera, a geological formation known to contain a wide variety of valuable minerals. The province is a major producer of coal and natural gas, as well as metals such as gold, silver, lead, zinc, copper and molybdenum. Mineral production in the province has been boosted during the past three decades by technological advances in exploration and mining and the establishment of new markets.

Primary mining activities in the province — the extraction of metals, non-metallic minerals, coal, oil and gas, as well as quarrying and services such as drilling and exploration — employed 14,800 people in 1999 and generated an estimated 2.8 per cent of GDP in 1998. Total production in 1999 was valued at \$4.7 billion, 2.6 per cent higher than in 1998.

The value of solid minerals — coal, metals, and non-metallic minerals — produced in British Columbia declined 14.1 per cent to \$2.6 billion in 1999 (see Appendix Tables A1.18 and A1.20). This was due to a 15.9 per cent drop in the value of coal production and a 37.1 per cent reduction in the value of copper production.

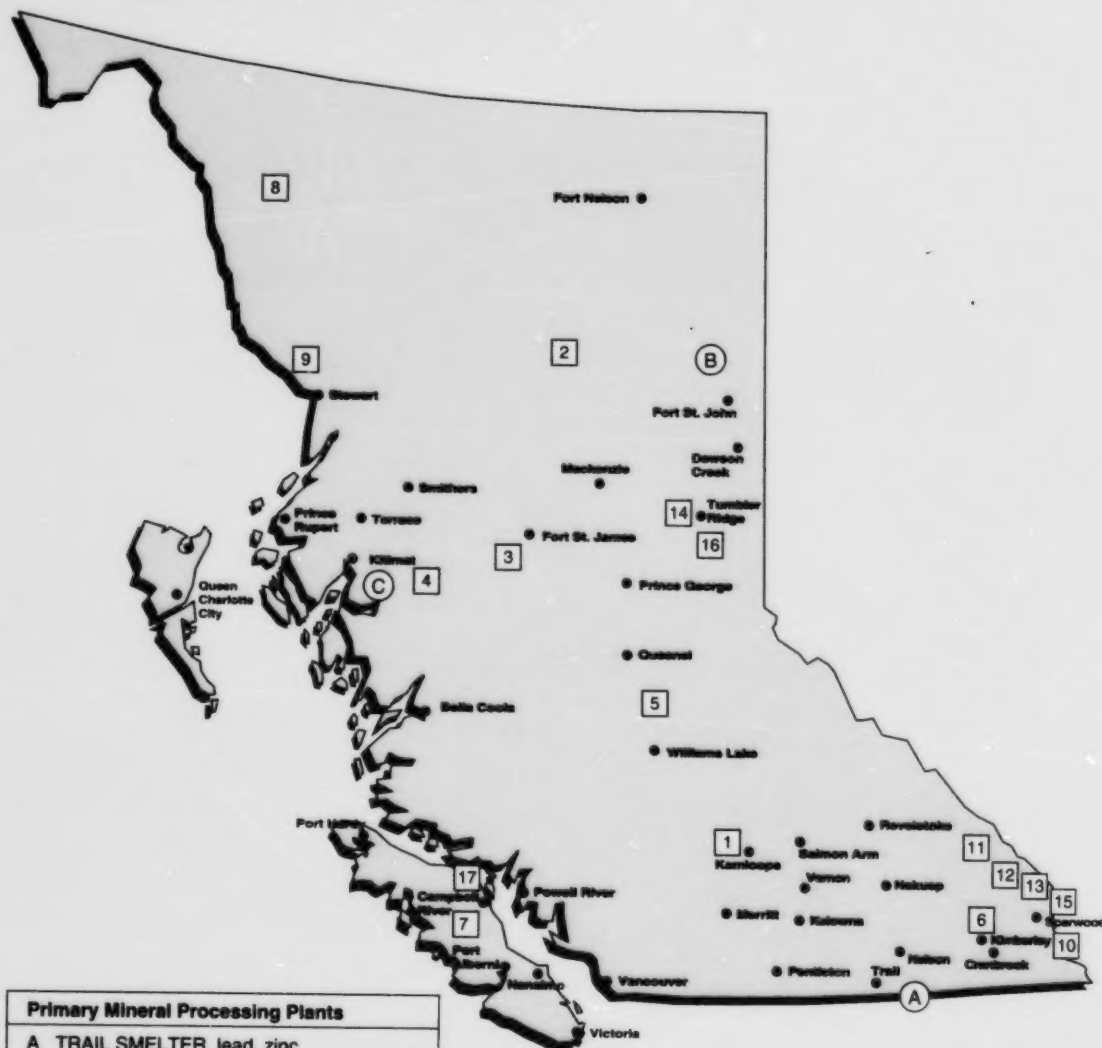
Chart 1.14 Value of Metal Production



Source: Ministry of Energy and Mines

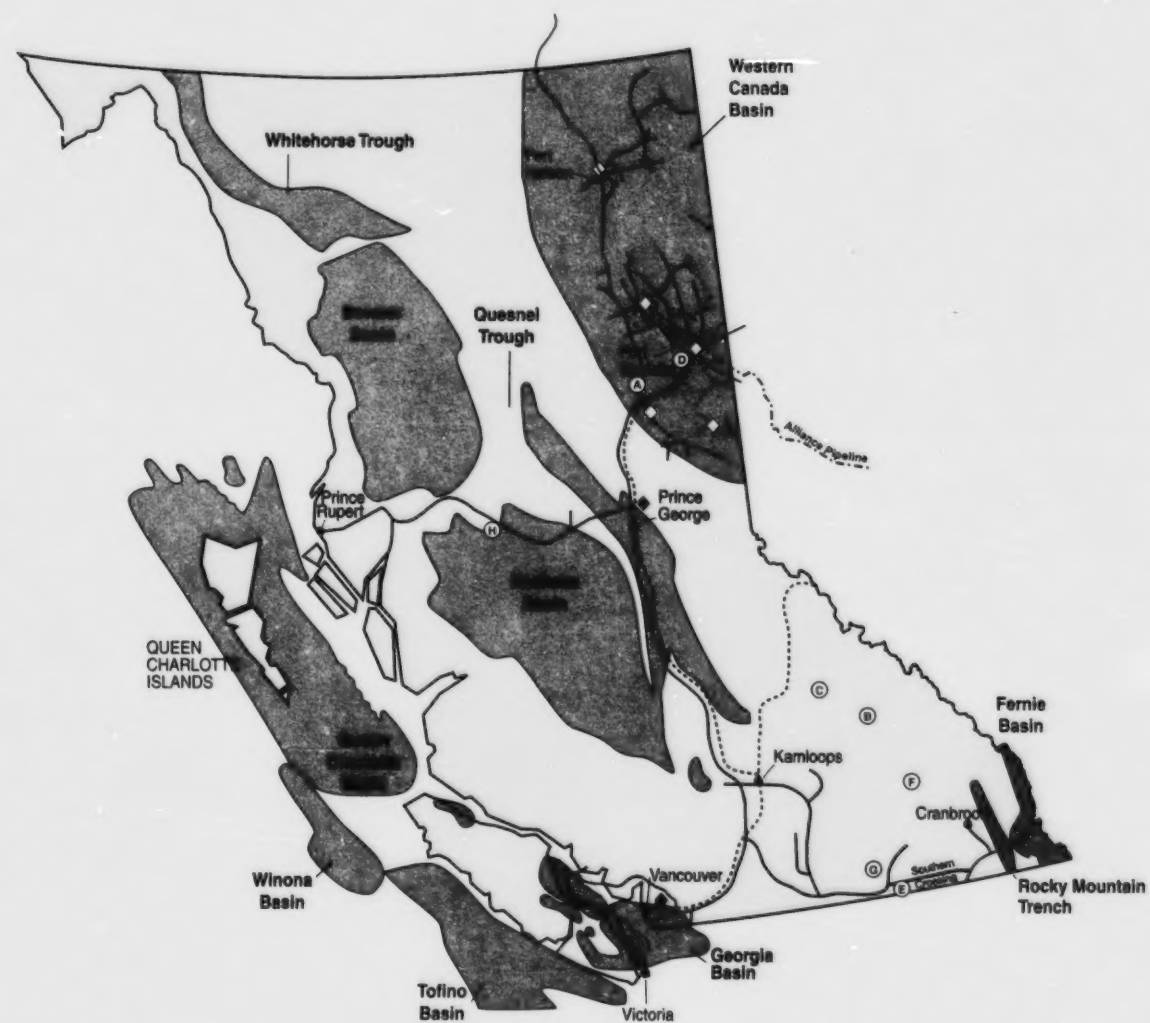
In 1999, the value of natural gas production rose 37.1 per cent to \$1.6 billion, following an increase of 8.1 per cent in 1998. Both volumes and prices of natural gas were higher. Due to sharply higher prices, the value of crude oil production increased 23 per cent to \$374 million. See Appendix Tables A1.20 and A1.21 for petroleum and natural gas activity indicators.

Map 1.2 Operating Mines (as of November 1999)



OPERATING MINES			
Company Name (Mine Name)	Location	Capacity (tonnes/day)	Products
1 Highland Valley Copper (Highland Valley Copper)	Highland Valley	120,000	Copper, molybdenum, silver, gold
2 Northgate Exploration Ltd. (Kemess South)	Thutude Lake	50,000	Copper, gold
3 Thompson Creek Mining Co. (Endako)	Fraser Lake	30,000	Molybdenum
4 Imperial Metals Corp. (Huckleberry)	Kemano	18,000	Copper, molybdenum, gold, silver
5 Imperial Metal Corp. (Mount Polley)	Likely	18,000	Copper, gold
6 Cominco Ltd. (Sullivan)	Kimberley	6,900	Zinc, lead, silver
7 Boliden Ltd. (Myra Falls)	Buttle Lake	3,500	Copper, zinc, lead, gold, silver
8 Wheaton River Resources Ltd. (Golden Bear)	NW B.C.	1,000	Gold
9 Homestake Canada Inc. (Eskey Creek)	Stewart	300	Gold, silver
10 Fording Coal Ltd. (Coal Mountain Operations)	Sparwood	n/a	Coal
11 Fording Coal Ltd. (Fording River Operations)	Elkford	n/a	Coal
12 Fording Coal Ltd. (Greenhills Operations)	Elkford	n/a	Coal
13 Luscar Ltd. (Line Creek)	Sparwood	n/a	Coal
14 Teck Corp. (Bulmoose)	Tumbler Ridge	n/a	Coal
15 Teck Corp. (Elkview)	Sparwood	n/a	Coal
16 Teck Corp. (Quintette)	Tumbler Ridge	n/a	Coal
17 Hillsborough Resources Ltd. (Quinsam)	Campbell River	n/a	Coal

Note: The Quesnel River gold-silver mine and the Gibraltar copper-molybdenum-silver mine shut down in May and December, 1998, respectively. Blackdome gold mine reopened in June 1998. Kemess South copper-gold mine opened in June 1998.

Map 1.3 Provincial Pipeline Network and Major Hydroelectric Dams

Legend	
Gas Pipeline	—————
Major Gas Plants	●
Oil Pipeline	- - - - -
Oil Refineries	◆
Alliance Pipeline	- · - · -
Sedimentary Basins	◼

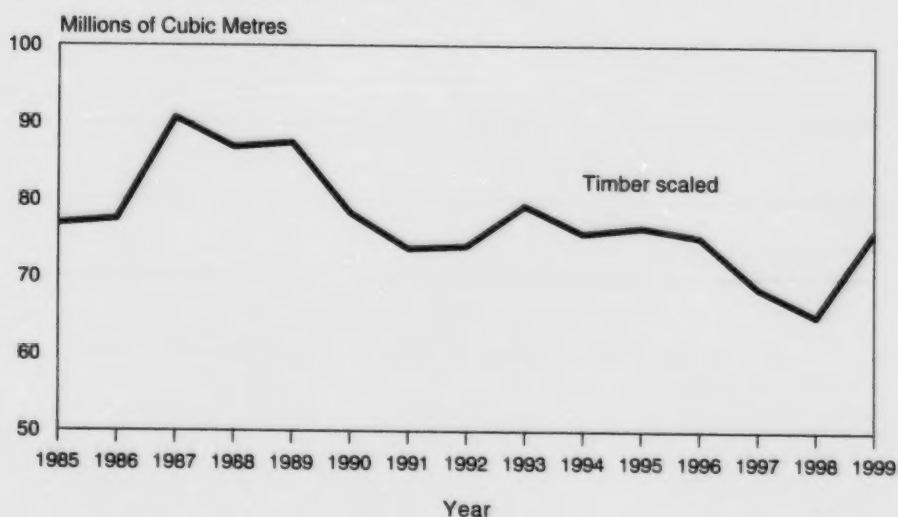
DAMS	RIVERS	LAKES/ RESERVOIRS	YEAR OF INITIAL OPERATING	OPERATION CAPACITY (KW)
A W.A.C. Bennett	Peace	Williston	1968	2,730,000
B Revelstoke	Columbia	Revelstoke	1984	1,843,000
C Mica	Columbia	Kinbasket	1976	1,736,000
D Peace Canyon	Peace	Dinosaur	1980	700,000
E Seven Mile	Pend d'Oreille	Seven Mile	1979	594,000
F Duncan	Kootenay	Duncan	1967	Storage Dam
G Hugh Keenleyside	Columbia	Arrow	1968	Storage Dam
H Kenney (Alcan)	Nechako	Nechako	1952	Storage Dam

Forestry and Logging

The province's logging and forestry industry, which includes logging and silviculture (the other main forestry activities — lumber, pulp and paper production — are included in manufacturing) employed 30,200 people in 1999 or 1.6 per cent of the total workforce. Employment in forestry and logging rose 1.3 per cent in 1999 due to stronger demand for British Columbia forest products.

British Columbia's timber harvest was 76 million cubic metres in 1999, a 17 per cent increase from 1998 (see Appendix Table A1.4 and Chart 1.15). About 70 per cent of the harvest occurs in the Interior, with Coastal forests providing the remainder. Since 1997, harvesting levels have trended down in part due to the need to ensure sustainable levels over the longer term. The increase in harvest levels in 1999 puts the provincial harvest back to levels last recorded in 1995.

Chart 1.15 British Columbia Timber Harvest



Source: Ministry of Forests

Manufacturing

The manufacturing sector employed 192,100 people, or 10 per cent of the provincial workforce in 1999. Manufacturing continues to be largely resource-based with the emphasis on forest products and food. These industries alone account for nearly half of the sector's workforce. Other important industries within the manufacturing sector include metal fabricating, printing and publishing, and machinery and equipment, aerospace and consumer-oriented industries, such as furniture, fixtures, plastics and clothing.

British Columbia manufactures a wide range of forest products such as lumber, pulp and paper, oriented strand board, plywood, cedar shakes and shingles and value-added wood products. The value of shipments of forest products was up 16.3 per cent in 1999.

The value of exports of British Columbia solid wood forest products rose 17.4 per cent in 1999 to \$10.1 billion. The increase reflected gains in both prices and volumes. Production of lumber rose 5.3 per cent and pulp and paper production was up 12.8 per cent. Prices of most forest products were higher in 1999 than in 1998.

Map 1.4 Pulp and Paper Mills (as of December 1999)



For integrated mills, pulp capacity includes pulp which is used internally to produce paper and to produce market pulp (if any) which is shipped from the mill site. Annual capacity is based on 345 operating days per year.

Company	Location	Estimated Annual Capacity (tonnes)	
		Pulp	Paper
		(thousands)	
1 Canfor Corporation	Prince George	532	—
2 Canfor Corporation (Intercontinental Div.)	Prince George	290	—
3 Canfor Corporation (Prince George Pulp and Paper Div.)	Prince George	267	102
4 Cariboo Pulp and Paper Co. Ltd.	Quesnel	317	—
5 Celgar Pulp Ltd.	Castlegar	414	—
6 Crestbrook Forest Industries Ltd.	Skookumchuk	233	—
7 Crown Packaging Ltd.	Burnaby	—	173
8 Donohue Inc.	Mackenzie	160	171
9 E.B. Eddy Forest Products Ltd.	New Westminster	—	207
10 Eurocan Pulp and Paper Co.	Kittimat	449	449
11 Fibreco Pulp Inc.	Taylor	221	—
12 Finlay Forest Industries Ltd.	Mackenzie	250	—
13 Fletcher Challenge Canada Ltd.	Crofton	711	424
14 Fletcher Challenge Canada Ltd.	Duncan Bay	781	571
15 Fletcher Challenge Canada Ltd.	Mackenzie	224	—
16 Harmac Pacific Inc.	Cedar	392	—
17 Howe Sound Pulp and Paper Ltd.	Port Mellon	536	200
18 Louisiana Pacific Corp.	Chetwynd	160	—
19 Pacifica Papers Inc.	Port Alberni	219	524
20 Pacifica Papers Inc.	Powell River	633	449
21 Newsprint Recycling Inc.	Coquitlam	173	—
22 Quesnel River Pulp Co.	Quesnel	338	—
23 Scott Paper Ltd.	New Westminster	31	78
24 Skeena Cellulose Inc.	Prince Rupert	431	—
25 Western Pulp Ltd. Partnership	Port Alice	173	—
26 Western Pulp Ltd. Partnership	Woodfibre	259	—
27 Weyerhaeuser Canada Ltd.	Kamloops	461	—
* Uses recycled newsprint to produce pulp.		8,655	3,348

Exports of pulp rose 11.3 per cent to \$5.4 billion in 1999. Prices rose steadily during the year and production was up 11.9 per cent to 5 million tonnes.

The major market for British Columbia newsprint is the west coast of the U.S. Newsprint, paper and paperboard exports production rose 14.3 per cent to 3.0 million tonnes and shipments were up 17.5 per cent. The value of exports rose 0.8 per cent as increased production more than offset lower prices for newsprint.

An annual report by PricewaterhouseCoopers shows that the British Columbia forest industry recorded \$923 million in net earnings in 1999 on sales of \$18.2 billion.



Door manufacturing — one example of B.C.'s value-added wood products industry

About one in eight persons employed in the manufacturing sector works in the food and beverage industry. About one-half of the GDP of this industry originates in meat and fish processing. Food manufacturers also use locally-produced agricultural products to manufacture canned and frozen fruits and vegetables. The value of food shipments fell 0.3 per cent in 1999 while the beverage industry recorded a 3.5 per cent increase.

Machinery and equipment manufacturing in British Columbia is growing. Exports reached \$3.6 billion or 13 per cent of total exports in 1999. Exports of motor vehicles and parts topped \$1 billion, most of which were destined for the U.S. Exports of electrical, electronic and communication equipment totalled \$638 million. In addition, manufacturing shipments of non-resource related goods rose 2.4 per cent to \$11.3 billion.

Construction

British Columbia's construction industry ranges from the building of single-family dwellings and apartment towers, commercial buildings and institutions, to the construction of roads, highways, dams and other industrial structures. In 1999, 115,300 people, or 6 per cent of the workforce, were employed in this industry. 1999 was the second consecutive year to record a decline in construction employment. New housing starts fell in 1999 and the value of residential building was also down. However, industrial, commercial and institutional construction activity was higher in 1999 with the value of non-residential building permits up 4 per cent.

Utilities

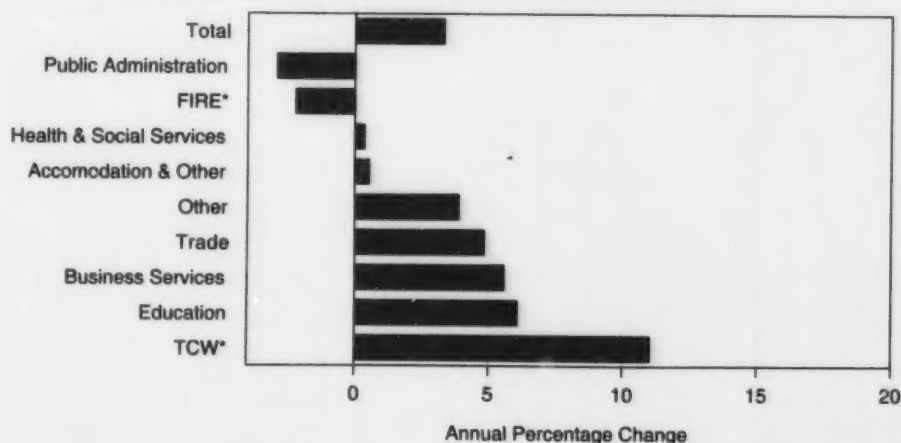
The utilities industry includes electric power and gas distribution establishments, as well as water systems and other utilities such as waste disposal. These industries employed 11,500 people in 1999. Electric power generation accounts for most of the industry's output, with remainder coming from natural gas distribution.

Electric power utilities in the province generated 67,989 gigawatt hours (GWh) of electricity in 1999, up slightly from the previous year (see Appendix Tables A1.4 and A1.23). The bulk of this power comes from both hydroelectric and thermal sources. Although British Columbia imports a small amount of power from other provinces, it is a net exporter of electric power. Powerex, BC Hydro's power marketing subsidiary, sold 23,405 GWh of electricity in 1999.

Service-producing Industries

Service sector employment grew 3.3 per cent in 1999, following growth of just 0.7 per cent in 1998. Most of the increase was due to higher employment in professional, scientific and technical services, education, trade and transportation and warehousing. Finance, insurance and real estate as well as public administration recorded fewer jobs in 1999 than 1998.

Chart 1.16 Service-Producing Industries Employment, 1999



*FIRE: Finance, Insurance, and Real Estate

*TCW: Transportation, Communication, and Warehousing

Source: Statistics Canada

**Transportation and
Communications**

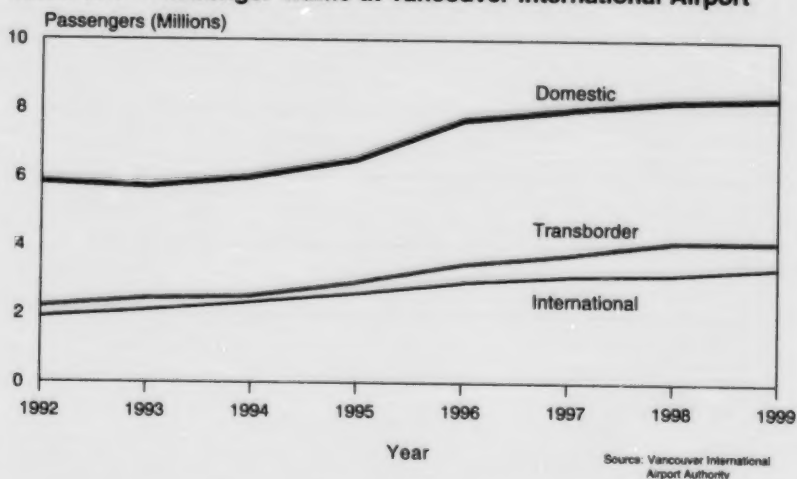
The transportation and warehousing industry employed 117,900 people in 1999 — about 6 per cent of the workforce. Transportation industries — air, rail, water, truck, bus and other transportation services — account for most of the employment in this sector. Truck and air transportation are the largest of the transportation industries.

Newly constructed expansion of
the Vancouver International Airport



(photo courtesy of the Vancouver International Airport)

The transportation industry in the province has grown in response to expanding tourism. Employment in scenic and sightseeing tours and support activities almost doubled in 1999, to 18,500 people. Air transportation employment rose 17.1 per cent to 19,000 persons while rail transportation employment fell 12.5 per cent to 8,500 people. BC Rail reported fewer tonnes shipped, mainly due to lower coal exports which more than offset higher forest product exports. The Port of Vancouver handled 71.2 million tonnes of cargo in 1999, down 1.0 per cent from 1998. Passenger traffic through Vancouver International Airport reached 15.8 million passengers in 1999. In addition, air cargo handled at Vancouver International Airport was up 13.8 per cent from 1998.

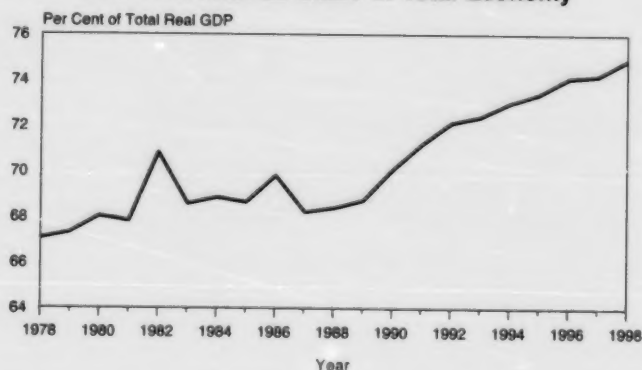
Chart 1.17 Passenger Traffic at Vancouver International Airport

Communications, specifically broadcasting and telecommunications, employed 23,000 people in 1999, down 21.5 per cent from 1998. This sector, which includes wireless communications carriers — pager services and Internet providers — recorded rapid employment growth in 1997 and 1998.

Diversification

During the past 25 years, the British Columbia economy has become more diversified in terms of its industrial structure, employment, production and trade. The economy has evolved from one based on the harvest and export of resources, including trees, minerals and fish, to a more complex industrial structure that encompasses secondary manufacturing and an extensive service sector. British Columbia has one of the largest service sectors among Canadian provinces.

Service Sector as Share of Total Economy



While traditional industries have continued, new industries have emerged. British Columbia now boasts a growing high-tech sector, film and television production industry and tourism sector. Within manufacturing, the province has diversified production into apparel, plastics, machinery and equipment, electronics, computers and motor vehicles.

Along with the changing industrial structure, the employment share has shifted. Service sector employment now accounts for almost 80 per cent of total employment in 1999, up from 70 per cent in 1977.

Education

Employment in educational services — which includes primary, secondary, post-secondary, university and other schools and educational support — increased to 127,500 people in 1999, from 120,200 in 1998. This category includes private-sector training institutions, many specializing in computer or high-tech programs such as Compucollege, CDI, Northwest Digital, Bodwell Internet and the Information Technology Institute. Primary and secondary schools accounted for just under two-thirds of total employment in the education sector.

Business Services

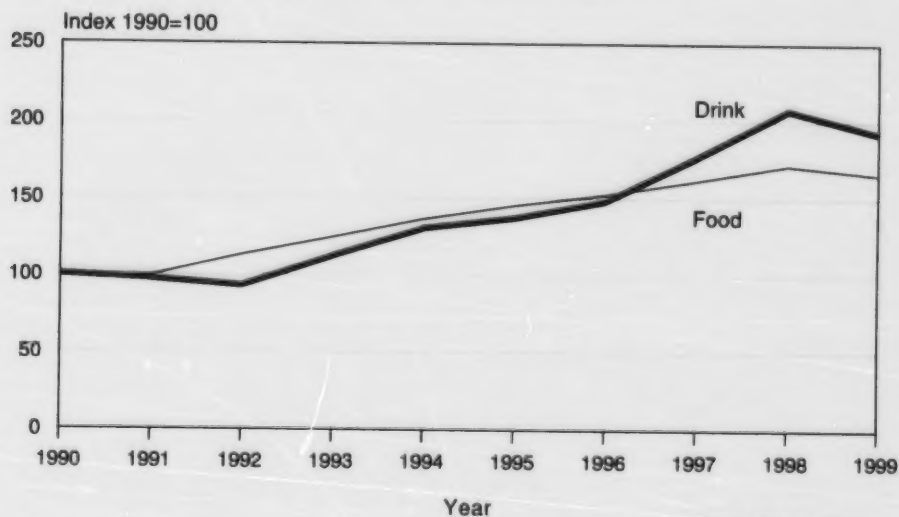
The business services sector includes legal, accounting and computer services and a number of other industries providing services ranging from employment agencies to engineering services. Employment in business services totalled 200,800 persons in 1999, a 5.6 per cent increase from 1998. The most significant employment gains were made in computer system design services, and management, scientific and technical services. Employment in legal services also increased in 1999.

In 1998, business services recorded a 3.1 per cent increase in real GDP, the second largest percentage increase among the service sector industries. Business services accounted for 5.6 per cent of provincial output.

Accommodation and Food Services

The accommodation and food services industry employed 152,700 persons in 1999, up slightly from 1998. Employment at drinking establishments and food services accounts for three-quarters of employment in this sector and has grown almost 43 per cent since 1990. Chart 1.18 shows the value of restaurant, caterer and tavern receipts for drinking places and food places, indexed to 1990 levels. In 1998, receipts at drinking places were double their 1990 level.

Chart 1.18 Restaurant, Caterer and Tavern Receipts



Source: Statistics Canada

Wholesale and Retail Trade

During 1999, nearly one in six workers in British Columbia were employed in a retail or wholesale establishment, making the sector the province's second-largest employer. Most of the employment in the wholesale and retail sector is in the retailing industry (228,900), while wholesalers employ less than half as many people (79,600).

Wholesale trade primarily involves the purchase of merchandise for resale to retailers as well as to industrial, commercial, institutional, farm or professional business users.

They may also act as agents or brokers for buying and selling goods. In British Columbia, the three largest groups are: food, beverage and tobacco wholesalers, wholesalers of metals, hardware, plumbing, heating and other building materials; and those selling industrial machinery and supplies, computers, software and other equipment.

Wholesale sales increased 4.1 per cent to \$38.1 billion in 1999.

Retail trade is a diverse group, ranging from outlets selling big-ticket items such as motor vehicles, to supermarkets and department stores, or smaller establishments such as corner stores, gas stations and garden centres. General merchandise stores posted the largest increase in sales in 1999 and accounted for 12 per cent of total retail sales in the province during 1999 (see Chart 1.9 and Appendix Table A1.24).

The value of retail sales rose 1.9 per cent to \$33.7 billion in 1999. Retail sales were up 0.8 per cent in the Greater Vancouver regional district and up 3.1 per cent in the rest of the province.

Health and Social Services

The health and social services industry includes publicly-operated hospitals, doctors and dentist offices, as well as homes for people requiring medical or other care, medical labs, day care centres and pre-schools, and other types of social services.

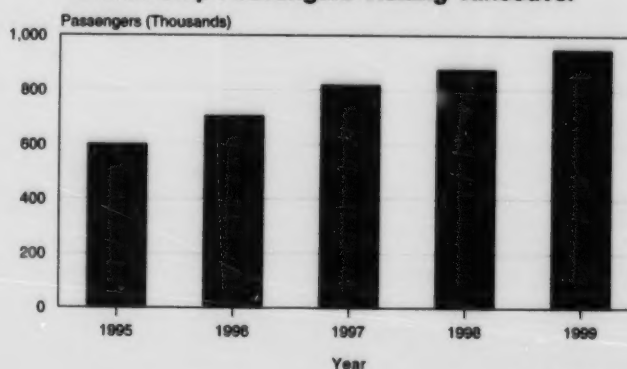
In 1999, there were 195,300 people employed in this sector, up slightly from 1998. One of every three workers in this sector are employed by hospitals. One of every four work in the social assistance field.

Tourism in British Columbia

The tourism sector in British Columbia is a compilation of activities in other sectors including, for example, accommodation, transportation and retail trade.

The tourism industry in British Columbia grew in 1999, buoyed by a low Canadian dollar. The number of international visitors was up 5.4 per cent, with the number of American visitors up 4.8 per cent and the number of overseas visitors up 8.6 per cent. Passenger traffic through the Vancouver International Airport during 1999 hit an all-time high of 15.8 million, an increase of 1.9 per cent from 1998. This reflected increased capacity with the completion of the expanded international terminal. In addition, the growing popularity of Alaska cruises led to an 8.5 per cent increase in the number of cruise ship passengers to 947,659 passengers in 1999, with the number of sailings rising to 309 from 294 in 1998.

Cruise Ship Passengers Visiting Vancouver



Source: Statistics Canada

Finance, Insurance, Real Estate and Leasing

The finance, insurance and real estate (FIRE) sector includes chartered banks, credit unions and other financial institutions, insurance carriers and agencies, real estate brokers, investment dealers, stock exchanges and operators of commercial and residential buildings.

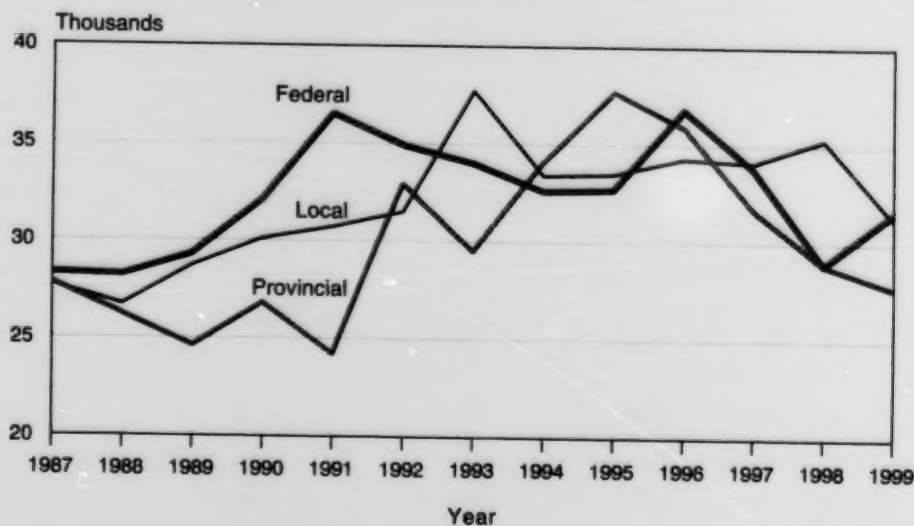
In 1999, there were 119,900 people employed in this sector, down 2.3 per cent from 1998. Employment in banking related activities and insurance account for two-thirds of total employment in this sector. While employment in financial activities rose in 1999, this was offset by fewer people working in real estate. Home sales and prices recorded back-to-back declines in 1998 and 1999. Appendix Tables A1.25 and A1.26 include financial and real estate market activity indicators.

Public Administration

Public administration comprises local, provincial and federal government ministries and agencies as well as correctional facilities, courts, the military, law enforcement and firefighting agencies. It includes the administrative arm of the public service but excludes many organizations and activities that are publicly-funded, such as schools, hospitals and road construction.

In 1999, there were 90,400 people employed in this sector, down from 93,100 in 1998. Employment in federal government public administration (including defence services) increased, while provincial and local administration employment decreased.

Chart 1.19 Employment in Public Administration



Sources: Statistics Canada

Regional Review

The province is divided into eight "development" regions. This section provides a brief overview of each of these regions. Appendix Table A1.3 provides historical population figures for the regions. Appendix Table A1.9 includes detailed labour force characteristics by region.

Vancouver
Island/Coast

The Vancouver Island/Coast region comprises all of Vancouver Island, numerous smaller islands and a section of the coastal mainland stretching from Powell River to Bella Coola. Rugged mountains predominate, except for a narrow coastal plain extending along the east coast of Vancouver Island. Regular ferry services link the Island to various points on the mainland, and the Island Highway, which has recently been upgraded, serves the eastern portion of the Island. The Gold River and Tofino highways provide easy access to the west coast. The region covers 9.8 per cent of the total land area of the province and accounts for 18.0 per cent of the population.

Table 1.4 Vancouver Island/Coast Development Region Summary, 1999

	Vancouver Island/Coast	Provincial Share		Vancouver Island/Coast	British Columbia
		(per cent)		(per cent)	
Population	722,340	18.0	Employment rate	58.7	59.7
Employment	329,100	17.3	Unemployment rate	8.0	8.3
Business establishments ¹ ...	25,375	16.4	1998/99 population change....	0.1	0.6

¹ Excludes establishments without paid employees.

Source: BC Stats, Ministry of Finance and Corporate Relations; Statistics Canada.

The region is second only to the Mainland/Southwest in terms of population and economic activity. Its population is concentrated in Victoria, the provincial capital, and population density diminishes from south to north. The Capital region is a major centre for trade, tourism, education, public administration and the growing high-technology sector. Elsewhere, the primary and resource-related manufacturing industries provide the region's main economic support with forest products in the leading role. Logging and sawmilling activity is widespread. In 1999, five pulp and paper mills operated on Vancouver Island and one at Powell River. Farming, commercial and sport fishing, aquaculture and mining (the latter near Campbell River and Port Hardy) are well represented. Tourism and in-migration of retirees also contribute to economic activity.

Mainland/
Southwest

The Mainland/Southwest region is the smallest region geographically with only 4.2 per cent of the province's land area; however, it contains 57 per cent of the province's population. The region consists of the lower Fraser Valley, associated uplands and the mountains that border them. It also encompasses part of the adjacent mainland coast connected to Vancouver by the coastal ferry system, as well as the Squamish and Lillooet River valleys that are linked to Lillooet through Anderson and Seton Lakes, and the Sunshine Coast.

Table 1.5 Development Region Employment by Industry, 1999

	Region 1 Vancouver Island/Coast	Region 2 Mainland/ Southwest	Region 3 Thompson/ Okanagan	Region 4 Kootenay	Region 5 Cariboo	Regions 6 & 7 North Coast and Nechako	Region 8 Northeast	British Columbia Total
	(thousands)							
Agriculture.....	5.3	14.6	5.8	—	—	—	—	28.6
Forestry, fishing, mining, oil and gas.....	14.3	8.3	6.9	4.3	6.8	4.2	4.2	49
Utilities.....	—	7.1	—	—	—	—	—	11.5
Construction.....	21.2	66.8	13.5	5.2	4.6	1.9	2.1	115.3
Manufacturing.....	24.7	111.9	26.9	7.6	11.6	8.1	—	192.1
Total goods-producing sector	66.8	208.8	54.5	18.5	24.2	15.0	8.8	396.5
Trade.....	51.2	187.3	32.2	11.2	14.9	6.7	5.1	308.5
Transportation and warehousing.....	14.3	78.9	10.1	3.5	4.6	3.1	3.3	117.9
Finance, insurance, real estate and leasing.....	16.7	84.8	10.7	2.2	3.3	—	—	119.9
Professional, scientific and technical services.....	21.3	97.5	8.9	3.2	3.6	—	—	136.7
Management, administrative and other support.....	12.7	38.2	7.2	1.7	2.2	—	—	64.1
Educational services.....	22.8	74.7	12.0	4.7	6.4	4.4	2.5	127.5
Health care and social assistance.....	40.7	112.8	22.6	6.7	6.4	4.0	2.0	195.3
Information, culture and recreation.....	12.8	62.9	7.7	3.8	2.3	1.7	—	91.6
Accommodation and food services.....	26.1	88.9	18.0	7.6	6.0	3.1	3.0	152.7
Other services.....	18.3	59.7	15.9	2.9	4.7	2.3	1.5	105.2
Public administration.....	25.3	45.7	7.4	3.6	4.4	2.7	—	90.4
Total service-producing sector	262.3	931.4	152.6	51.0	58.8	31.8	22.0	1,509.8
Total regional employment...	329.1	1,140.1	207.1	69.5	82.9	46.7	30.8	1,906.4

Source: Statistics Canada.

The Lower Mainland is the leading centre for many activities in the province, including manufacturing, services, trade, farming and fishing. The urban centre of Greater Vancouver is the hub for most financial, educational, tourist, transportation, cultural and industrial activity in the region, while the resource industries play a major role in the less densely populated areas. The forest resource industries are particularly significant in the Squamish, Lillooet, Hope-Fraser Canyon, Sunshine Coast, Kent-Harrison and Mission areas. In the Squamish area, railcar maintenance, port operations and tourism provide additional economic support. In the Chilliwack area, agriculture is the dominant resource activity.

Table 1.6 Mainland/Southwest Development Region Summary, 1999

	Mainland/ Southwest	Provincial Share		Mainland/ Southwest	British Columbia
		(per cent)		(per cent)	
Population.....	2,291,218	57.0	Employment rate.....	60.7	59.7
Employment.....	1,140,100	59.8	Unemployment rate.....	7.8	8.3
Business establishments ¹ ...	88,264	57.0	1998/99 population change...	0.9	0.6

¹ Excludes establishments without paid employees.

Source: BC Stats, Ministry of Finance and Corporate Relations; Statistics Canada.

The provincial high-technology sector is centred in this region due to the proximity of university and other research enterprises, urban amenities, and extensive air, sea and land transportation links. Information technology dominates the sector, but engineering, aerospace and bio-technology are also important.

British Columbia's Film and TV Production Industry

Film and TV production revenue reached \$1 billion in 1999. A total of 198 productions were filmed in British Columbia in 1999, including 54 feature films. Employment in motion picture and sound recording industries as well as broadcasting and telecommunications totalled 33,800 in 1999, down from 35,500 in 1998.

- The province has 70 post-production facilities, 50 shooting stages and 2 water tanks.
- British Columbia has the ability to crew and service 35 projects simultaneously.
- Lions Gate Studio is Canada's largest film and television studio facility.
- The Bridge Studios, located in Burnaby, has one of the largest special effects stages in North America.

Thompson/
Okanagan



The Thompson/Okanagan region covers the Okanagan, Similkameen, Nicola and Thompson valleys, as well as the highway-rail corridor from Golden to the Fraser Canyon at Lytton. The region contains a diverse topography, ranging from high mountains and fertile valleys to a desert region at the southern end of the Okanagan Valley. The region contains 10.8 per cent of the provincial land area and 12.1 per cent of the population.

Table 1.7 Thompson/Okanagan Development Region Summary, 1999

	Thompson/ Okanagan	Provincial Share		Thompson/ Okanagan	British Columbia
		(per cent)			(per cent)
Population.....	488,493	12.1	Employment rate	55.1	59.7
Employment.....	207,100	10.9	Unemployment rate	9.7	8.3
Business establishments ¹ ...	20,138	13.0	1998/99 population change...	0.6	0.6

¹ Excludes establishments without paid employees.

Source: BC Stats, Ministry of Finance and Corporate Relations; Statistics Canada.

The predominant industries in the region are forestry, mining, agriculture and tourism. Manufacturing, transportation and trade services are also key contributors to the economy. Much of the western half of the region is prime cattle range, while forest industry activity is widespread throughout the region.

The Highland Valley area, southwest of Kamloops, contains a number of copper/molybdenum mines that are consolidated into a single operation that is one of the largest in the world. Highland Valley Copper closed down temporarily in 1999 due to low world copper prices. Mineral exploration activity continues, and future mining activities will depend on favourable prices and resolution of environmental concerns associated with development.

Kamloops and Kelowna are the region's largest communities with extensive local economies based on trade, administration, services and manufacturing. Kamloops is a major transportation centre with a jet service airport, two major railways and the Trans-Canada and Coquihalla highways serving the Alberta to Vancouver corridor. Tourism and in-migration of retirees generate considerable economic activity in the entire region, particularly in the Okanagan and Shuswap areas. The south Okanagan is the centre of B.C.'s burgeoning wine industry. More recently, Kelowna has become home to a growing number of high-tech firms, and is often referred to as the "Silicon Vineyard".

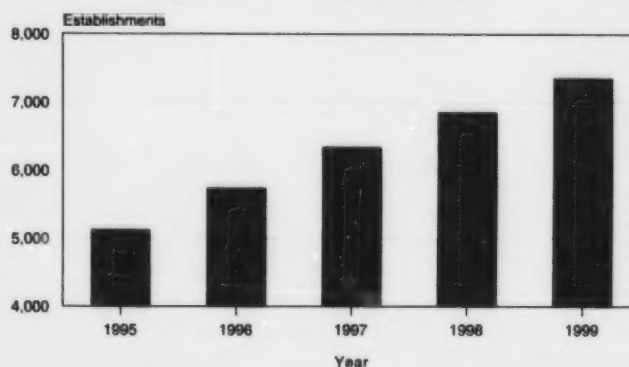
British Columbia's High-Tech Sector

The high-technology sector comprises technically-advanced activities in various industries. It includes some manufacturing (such as electronics), as well as computer services, engineering and bio-technology.

The high-tech sector grew in 1998 and 1999. BC STATS estimates real GDP for this sector was up 6.2 per cent in 1998 to \$2.6 billion. High-tech now accounts for 3.0 per cent of the province's output and employed 52,060 people in 1999, about 2.7 per cent of the provincial workforce. There were 7,349 high-tech establishments in 1999, up 7.4 per cent from 1998. Computer services are the largest single industry in this sector, with 2,297 establishments. Appendix Table A1.28 includes high-tech activity indicators.

Exports of British Columbia high-tech commodities totalled \$816 million in 1999, up 6 per cent from 1998. Imports of high-tech commodities rose 16.9 per cent to \$3.0 billion in 1999.

High-Tech Sector Establishments



Source: BC Stats

Kootenay



The Kootenay region is located in the southeastern portion of the province, with the United States to the south, Alberta to the east and the Thompson-Okanagan to the north and west. It represents 6.7 per cent of the provincial land area and contains 3.9 per cent of the population. The region is characterized by a series of north-south oriented valleys separated by high mountain ranges and containing a number of reservoirs for power generation facilities (Columbia and Kootenay River waterways). Five large lakes, Kootenay, Arrow, Slocan, Duncan and Koocanusa, cover extensive areas of the Kootenay Region.

Table 1.8 Kootenay Development Region Summary, 1999

	Kootenay	Provincial Share		Kootenay	British Columbia
		(per cent)		(per cent)	
Population	156,524	3.9	Employment rate	56.7	59.7
Employment	69,500	3.6	Unemployment rate	9.0	8.3
Business establishments ¹ ..	6,245	4.0	1998/99 population change...	0.6	0.6

¹ Excludes establishments without paid employees.

Source: BC Stats, Ministry of Finance and Corporate Relations; Statistics Canada.

Mining and forestry industries play a major role in the region's economy. Coal mining is particularly dominant in the eastern portion of the region, and those employed in mining in this region constitute about one quarter of the provincial total in that category. Forestry-based industries exert a large influence on the economy of much of the Kootenay region, with two large pulp mills at Skookumchuk and Castlegar, and an abundance of lumber mills throughout the region. Other major industries are the Sullivan Mine at Kimberley, and the Cominco lead-zinc smelter that it supplies at Trail. These two industries account for the majority of employment in these two areas. Agriculture, particularly cattle ranching, is distributed throughout the region as well.

The Creston Valley is also well known for its grain, fruit and vegetable industries. As the Kootenay region diversifies, tourism and the service industry are becoming substantial contributors. Cranbrook is the regional centre for trade and services in the eastern part of the region, while Nelson fulfills that role in the western portion.

Cariboo



The Cariboo region encompasses 13.5 per cent of the province's land area, and contains 4.5 per cent of the population. Bounded by high mountains on the east and southwest, the region is primarily a plateau comprised of modest, rolling hills. It is heavily forested, but lower elevations provide excellent areas for raising beef cattle. The Fraser River loops through the region, forming the boundary between the Chilcotin and Cariboo districts in the southern portion of the region.

Table 1.9 Cariboo Development Region Summary, 1999

	Cariboo	Provincial Share		Cariboo	British Columbia
		(per cent)		(per cent)	
Population	179,239	4.5	Employment rate	62.2	59.7
Employment	82,900	4.3	Unemployment rate	11.6	8.3
Business establishments ¹ ..	7,067	4.6	1998/99 population change...	0.0	0.6

¹ Excludes establishments without paid employees.

Source: BC Stats, Ministry of Finance and Corporate Relations; Statistics Canada.

The economy of the region is fairly diversified. Forestry provides the main economic support throughout the region, with virtually every community deriving at least part of its income from forest-related activities. There are seven pulp and paper mills in the region and numerous lumber mills throughout. Agriculture plays an important role for some areas, particularly the region's southern portion that is the centre of cattle ranching in British Columbia. Mining has had an historical significance and is still an important contributor to the economy of some areas in the region. The area from Quesnel to Barkerville has a long history of placer and lode gold mining. There is a greater emphasis on the tertiary sector in Prince George, and it has developed as the leading trade, administration, manufacturing and service centre in the northern part of the province on the strength of its central location on the rail and highway systems. It is also the home of the main campus of the University of Northern British Columbia.

Camera operator
at a B.C.
production shoot



North Coast



The North Coast region borders the Pacific Ocean and the Alaska Panhandle and includes the Queen Charlotte Islands. It is the fourth largest of the eight regions, covering 12.5 per cent of the province. The region includes only 1.8 per cent of the provincial population and most of the residents are concentrated near Prince Rupert, Terrace, Kitimat, Stewart and New Hazelton. Rugged mountains and deeply cut river valleys characterize the topography of the region.

The economy of the region is as diverse as its topography. The coastal communities rely heavily on fishing and fish processing. There is logging on the Queen Charlotte Islands and in the southern two-thirds of the mainland portion of the region. Pulp and paper mills are located at Prince Rupert and Kitimat, and major sawmills at Terrace, Kitwanga and Hazelton. Mining and forestry are the chief economic activities in the Stewart area. Prince Rupert and Terrace are the leading administrative and service centres for the region. Kitimat was established in the early 1950s to house Alcan's aluminium smelter complex, but its industrial base has since expanded to include forest products and petrochemical production. Tourism is providing opportunities in much of the region.

Table 1.10 North Coast and Nechako Development Regions Summary, 1999

	North Coast and Nechako	Provincial Share		North Coast and Nechako	British Columbia
		(per cent)			(per cent)
Population	118,552	2.9	Employment rate	62.2	59.7
Employment	46,700	2.4	Unemployment rate	8.8	8.3
Business establishments ¹ ..	4,594	3.0	1998/99 population change ...	0.2	1.6

¹ Excludes establishments without paid employees.

Source: BC Stats, Ministry of Finance and Corporate Relations; Statistics Canada.

Nechako



The Nechako region is the second largest of the development regions, containing 21 per cent of the provincial land area but only 1.2 per cent of the population. The bulk of the population lives in communities along the rail-highway corridor from Smithers to Vanderhoof and Fort St. James. The terrain is composed of a high, rolling or hilly plateau bounded by rugged mountains on the west and northeastern borders. There is little or no commercially-available forest cover in the northern half (timber resources have yet to be fully evaluated in terms of their economic potential), but commercial forests are extensive in the south where they support a large part of the local economy.

Forest-based industries are particularly important in the Smithers-Houston, Burns Lake and Vanderhoof areas. Mining is the primary economic activity in the northern part of the region, and has a substantial impact on the economy of much of the southern part of the region as well. Although some significant mine closures occurred in recent years, there is considerable mineral potential in the area. Widespread mineral exploration and development is currently centred primarily on precious metals, but large deposits of base metals and coal offer future potential. Currently there are two major mines operating in the area — a molybdenum mine at Fraser Lake, and a copper mine, near Houston, which opened in 1997. Due to climate and terrain, intensive agricultural activity is limited to the Bulkley Valley near Smithers and an area surrounding Vanderhoof.

Northeast



The Northeast region is the largest of the province's regions. It represents 21.5 per cent of the land area of the province and 1.7 per cent of the population. Generally, the terrain is flat in the east, resembling the interior plains of North America, and mountainous in the west, resembling the rest of the province. Grain, forage crops and beef cattle traditionally provided the economic base of the triangle extending from Chetwynd to Dawson Creek and Fort St. John. From the 1950s to the 1970s, the forest industry, oil, natural gas and hydroelectric power projects provided much of the region's economic growth. In the 1980s, growth was largely attributable to development of coal mines southwest of Dawson Creek in the vicinity of Tumbler Ridge. The oil and natural gas industry is again experiencing growth with a number of major construction projects either underway or proposed, and is one of the leading sources of employment in northeastern British Columbia.

Table 1.11 Northeast Development Region Summary, 1999

	Northeast	Provincial Share		Northeast	British Columbia
		(per cent)		(per cent)	
Population	66,734	1.7	Employment rate	64.6	59.7
Employment	30,800	1.6	Unemployment rate	8.9	8.3
Business establishments ¹ ...	3,123	2.0	1998/99 population change...	0.4	0.6

¹ Excludes establishments without paid employees.

Source: BC Stats, Ministry of Finance and Corporate Relations; Statistics Canada.



Chapter Two

Financial Review



Provincial Treasury, Parliament Buildings, Victoria, 1912

Introduction

This chapter presents information on the financial results for the government and its Crown corporations and agencies and includes:

- a review of financial results since the 1980s;
- an overview of the government's summary financial statements for 1999/00 (summary accounts). These statements combine the financial results of the government and its Crown corporations and agencies;
- details on revenue and expenditure of the consolidated revenue fund (CRF) for 1999/00 (the government's central operating account);
- financial results of major Crown corporations for 1999/00;
- capital spending by the government and its Crown corporations and agencies;
- details on provincial borrowing activity and debt (including Crown corporations and agencies);
- information on trust funds (money administered by government on behalf of third parties) and other liabilities; and
- information on provincial taxes.

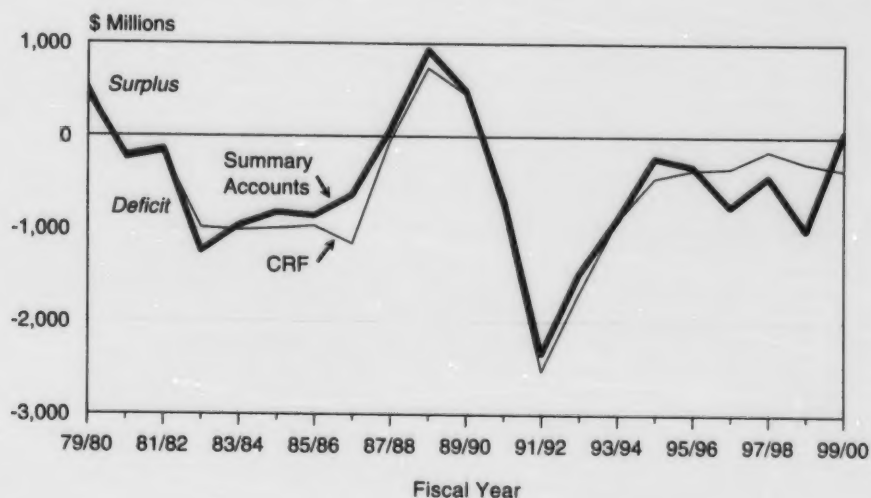
Historical Review

The finances of the provincial government and its Crown corporations are closely tied to the performance of the province's economy. During the early 1980s, the recession and subsequent slow recovery in British Columbia caused provincial revenue to weaken while spending increased. From 1982/83 to 1986/87, the provincial government experienced annual summary accounts deficits that included CRF shortfalls of about \$1 billion per year, partially offset by the combined net profits of provincial Crown corporations and agencies (see Chart 2.1).

From 1987/88 to 1989/90, a strong turnaround in the provincial economy and various revenue measures led to an improvement in the government's finances. Positive balances in the CRF together with combined net profits of Crown corporations resulted in annual summary account surpluses peaking at \$930 million in 1988/89.

Slower economic growth, cutbacks to federal transfers and increased government spending in response to growing demand for government services, partly caused by high in-migration, led to deficits beginning in 1990/91. In 1991/92, the government's summary accounts deficit reached \$2.3 billion.

¹ Financial information presented in this chapter is based on 1999/00 *Public Accounts* information. Figures are consistent with the government's organization and accounting policies effective March 31, 2000, and for comparative purposes, information for prior years has been restated where practical. For additional information on the government's accounting policy, see Appendix 2.

Chart 2.1 Summary Accounts and Consolidated Revenue Fund Historical Trends

Beginning in 1992/93, revenue measures and reduced spending growth helped to reduce the government's summary accounts deficit, which fell to \$228 million by 1994/95. However, during 1995/96 to 1998/99, the summary accounts showed a general deterioration due to increased Crown corporation losses and a slowdown in revenue growth, partly reflecting income tax cuts introduced during this period.

In 1999/00, the summary accounts showed a surplus of \$52 million. The significant improvement from the \$1-billion deficit in 1998/99 primarily resulted from a 7.6-per-cent increase in CRF revenue, in part due to a strengthening economy and particularly strong commodity prices during the year.

1999/00 Overview

The summary accounts showed a \$52-million surplus in 1999/00, compared to the original budget estimate of a \$1,529-million deficit (see Chart 2.2). The surplus reflects:

- a CRF shortfall of \$354 million;
- combined net earnings of taxpayer-supported Crown corporations of \$596 million; and
- a combined net loss from self-supported (commercial) Crown corporations of \$190 million.

The summary accounts surplus of \$52 million in 1999/00 compares to a \$1-billion loss in 1998/99. Despite very strong revenue growth, the CRF shortfall increased \$73 million mainly due to one-time expenditures of \$1.2 billion. These one-time expenditures contributed to a \$1.1 billion improvement in the finances of Crown corporations and agencies.

Table 2.1 1999/00 Summary Accounts — Detailed Operating Results

	Budget Estimate 1999/00	Actual 1999/00	Actual 1998/99 ¹
(\$ millions)			
Consolidated Revenue Fund (CRF)			
Revenue	20,155	21,846	20,306
Expenditure	(21,045)	(22,200)	(20,587)
CRF Balance	(890)	(354)	(281)
Crown Corporations and Agencies			
Taxpayer-supported:			
British Columbia Buildings Corporation	75	45	49
British Columbia Ferry Corporation (BCFC)	(51)	(299)	(114)
BC Transportation Financing Authority	4	22	(114)
Forest Renewal BC	(243)	1	(265)
Other	25	(44) ²	9
Net earnings (losses)	(190)	(275)	(435)
Less contributions paid to CRF	(246)	(78)	(14)
Less accounting adjustments:			
Forgiveness of BCFC debt	—	1,080	—
Other accounting adjustments ³	(249)	(131)	(368)
Total taxpayer-supported	(685)	596	(817)
Self-supported commercial:			
British Columbia Hydro and Power Authority (Hydro)	417	416	395
Liquor Distribution Branch	620	617	616
British Columbia Lottery Corporation	510	532	456
British Columbia Railway Company	32	(582)	24
Insurance Corporation of British Columbia	(7)	96	74
Other	(7)	1	(23)
Net earnings (losses)	1,565	1,080	1,542
Less contributions paid to CRF	(1,433)	(1,376)	(1,348)
Less accounting adjustments:			
Transfer of Hydro earnings to rate stabilization account	—	129	—
Other accounting adjustments ⁴	(86)	(23)	(99)
Total self-supported commercial	46	(190)	95
Total Crown corporation and agency net contribution (loss)	(639)	406	(722)
Summary Accounts Surplus/(Deficit)	(1,529)	52	(1,003)

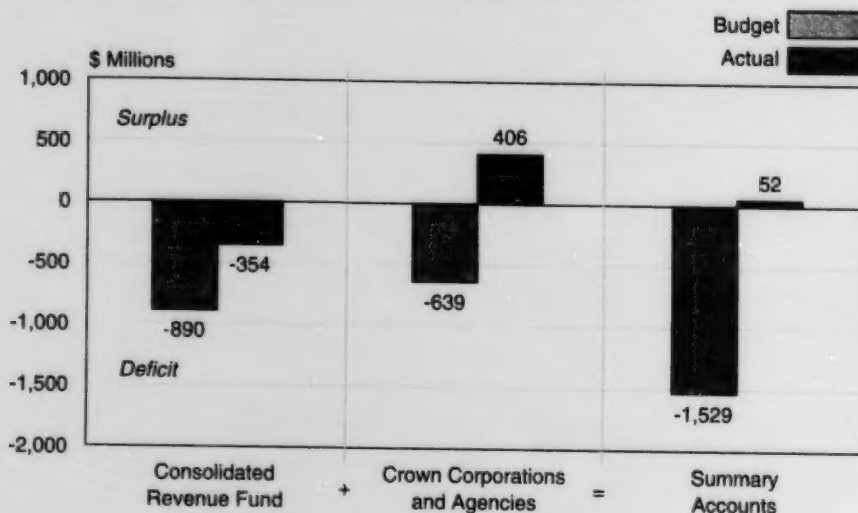
¹ Restated to be consistent with the presentation used for 1999/00.

² The change from budget for other taxpayer-supported Crown corporations primarily reflects the annual loss of 580440 British Columbia Ltd. (Vancouver Trade and Convention Centre).

³ Primarily includes the amortization of the cost of highways transferred to the BC Transportation Financing Authority. The change from budget reflects the positive effect of a write-down (forgiveness) of the government's fiscal agency loan to 580440 British Columbia Ltd. (Vancouver Trade and Convention Centre).

⁴ Primarily reflects adjustments to account for differences between the fiscal year-ends of the government and certain Crown corporations, and the transfer of British Columbia Lottery Corporation revenue to charities and local governments.

Chart 2.2 1999/00 Summary Accounts Operating Results



The 1999/00 CRF shortfall was \$536 million less than budgeted:

- Revenue was \$1,691 million higher than budget primarily due to some one-time revenues received, a strengthening economy, stronger-than-expected commodity prices, and use of the budget forecast allowance.
- This was partially offset by \$1,155 million of above-budget spending mainly due to the forgiveness of British Columbia Ferry Corporation debt, higher-than-budgeted spending for health and other programs, partially offset by reduced pension expenditures resulting from accounting policy changes recommended by the Auditor General.

In aggregate, Crown corporation net earnings were \$1 billion higher than expected in 1999/00. Net earnings of taxpayer-supported Crown corporations were \$1.3 billion better than planned, reflecting:

- A larger net loss of the British Columbia Ferry Corporation, due to a write-down of the fast ferries, which was more than offset by an improvement in Forest Renewal BC and the positive effect of removing \$1,080 million of debt owed to the government by the British Columbia Ferry Corporation.
- Other Crown corporation changes of \$205 million, which mainly reflected the effect of lower dividends paid by the British Columbia Buildings Corporation.

Commercial Crown corporation net earnings were \$236 million less than planned. A large net loss of the British Columbia Railway Company in 1999, due to a write-down of railway assets, was partly offset by higher net income of the Insurance Corporation of British Columbia (ICBC) and higher earnings of British Columbia Hydro and Power Authority that were transferred to the authority's rate stabilization account.

Table 2.2 itemizes the major changes from the 1999/00 budget forecast.

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Table 2.2 Summary of Changes from the 1999/00 Budget Forecast

	In-year Change	
		(\$ mil)
Summary Accounts Deficit — 1999/00 Budget Forecast		
Consolidated Revenue Fund (CRF) Changes:		
Revenue:		
Prior-year personal income tax and CHST assessments.....	359	
Additional drawdown of CHST supplement.....	121	
Taxation sources — higher current-year personal and corporation income, sales and other taxes	523	
Natural resources — higher forests, petroleum and natural gas, etc.	637	
Federal government, Crown corporations and other sources — lower dividends, fees, licences, etc.	(179)	
Revenue allowance — not required	230	
Net increase (decrease) from budget.....		1,691
Spending:		
Ministry of Health — higher spending for acute and continuing care, MSP and Pharmacare.....	(245)	
Other programs — higher spending in Ministries of Attorney General, Children and Families and other areas, partially offset by lower debt interest expense	(79)	
Forgiveness of British Columbia Ferry Corporation debt.....	(1,080)	
One-time write-downs for the Vancouver Trade and Convention Centre and the Kemess mine.....	(103)	
Change in pension accounting policy and new actuarial valuation.....	352	
Net (increase) decrease from budget.....		(1,155)
Consolidated Revenue Fund — reduced shortfall		
Crown Corporation and Agency Changes:		
Taxpayer-supported:		
British Columbia Ferry Corporation — fast ferry write-down and increased operating loss	(248)	
Forest Renewal BC — lower loss due to higher stumpage..	244	
Other changes:		
Forgiveness of British Columbia Ferry Corporation debt...	1,080	
Other Crown corporation changes and adjustments.....	205	1,281
Self-supported commercial:		
British Columbia Railway Company — write-down of rail assets.....	(617)	
Insurance Corporation of British Columbia — higher net income.....	103	
Other Crown corporation changes including BC Hydro transfer to rate stabilization account.....	278	(236)
Crown Corporations and Agencies — increased net earnings from budget.....		
1999/00 Summary Accounts Surplus.....		

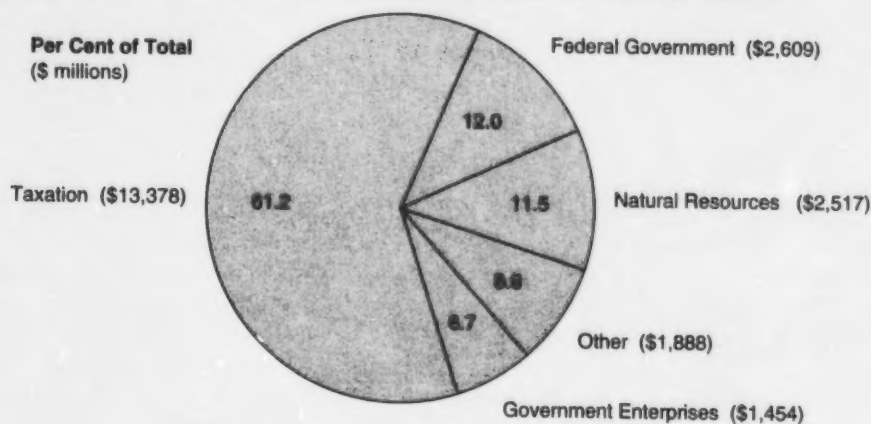
Results for 1999/00 were also significantly better than the \$1,145 million revised deficit forecast in the March 2000 provincial budget. This reflects:

- \$461 million of additional CRF revenue.
 - personal income tax increased \$85 million due to a higher estimate of 1999 tax assessments;
 - other tax revenue increased \$98 million due to strong consumer sales activity in February and March;
 - natural resource revenue increased \$105 million mainly due to higher-than-expected forest harvest volumes in the last quarter;
 - Crown corporation contributions and other revenues increased \$53 million mainly due to higher-than-expected recoveries by ministries at year end; and
 - federal contributions increased \$120 million primarily reflecting a decision to record the full provincial entitlement to the Canada health and social transfer (CHST) supplement in 1999/00.
- a \$393-million reduction in CRF spending primarily due to change in pension accounting policy as recommended by the Auditor General.
- a \$143-million improvement in taxpayer-supported Crown corporations and agencies:
 - Forest Renewal BC improved \$48 million due to higher-than-expected stumpage revenue in the last quarter;
 - BC Transportation Financing Authority improved \$19 million due to higher-than-expected dedicated taxes received at year-end; and
 - other Crown corporations and adjustments were \$76 million better than planned mainly due to the positive effect of the government's assumption of debt owed by 580440 British Columbia Ltd. (Vancouver Trade and Convention Centre).
- a \$100-million improvement in self-supported Crown corporations, primarily reflecting better-than-anticipated results for ICBC and Skeena Cellulose in the first quarter of 2000.
- \$100 million of forecast allowance that was not needed.

Consolidated Revenue Fund Revenue

CRF revenue totalled \$21,846 million in 1999/00. Chart 2.3 shows a breakdown of CRF revenue by source, while Table 2.3 presents further details.

Chart 2.3 Consolidated Revenue Fund Revenue by Source, 1999/00*



* Excludes dedicated revenue collected on behalf of Crown corporations and other public bodies.

Total: \$21,846 million

Table 2.2 Summary of Changes from the 1999/00 Budget Forecast

	In-year Change	Final Results
		(\$ millions)
Summary Accounts Deficit — 1999/00 Budget Forecast		(1,529)
Consolidated Revenue Fund (CRF) Changes:		
Revenue:		
Prior-year personal income tax and CHST assessments	359	
Additional drawdown of CHST supplement	121	
Taxation sources — higher current-year personal and corporation income, sales and other taxes	523	
Natural resources — higher forests, petroleum and natural gas, etc.	637	
Federal government, Crown corporations and other sources — lower dividends, fees, licences, etc.	(179)	
Revenue allowance — not required	230	
Net increase (decrease) from budget	1,691	
Spending:		
Ministry of Health — higher spending for acute and continuing care, MSP and Pharmacare	(245)	
Other programs — higher spending in Ministries of Attorney General, Children and Families and other areas, partially offset by lower debt interest expense	(79)	
Forgiveness of British Columbia Ferry Corporation debt	(1,080)	
One-time write-downs for the Vancouver Trade and Convention Centre and the Kemess mine	(103)	
Change in pension accounting policy and new actuarial valuation	352	
Net (increase) decrease from budget	(1,155)	
Consolidated Revenue Fund — reduced shortfall		536
Crown Corporation and Agency Changes:		
Taxpayer-supported:		
British Columbia Ferry Corporation — fast ferry write-down and increased operating loss	(248)	
Forest Renewal BC — lower loss due to higher stumpage	244	
Other changes:		
Forgiveness of British Columbia Ferry Corporation debt	1,080	
Other Crown corporation changes and adjustments	205	1,281
Self-supported commercial:		
British Columbia Railway Company — write-down of rail assets	(617)	
Insurance Corporation of British Columbia — higher net income	103	
Other Crown corporation changes including BC Hydro transfer to rate stabilization account	278	(236)
Crown Corporations and Agencies — increased net earnings from budget		1,045
1999/00 Summary Accounts Surplus		52

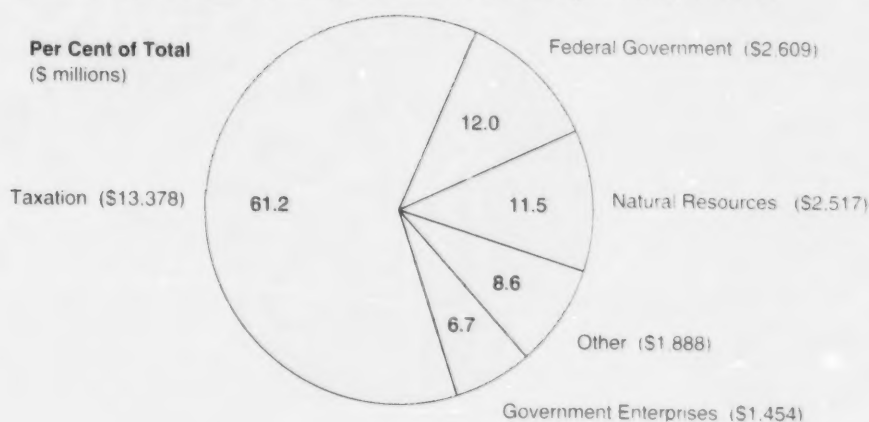
Results for 1999/00 were also significantly better than the \$1.115 million revised deficit forecast in the March 2000 provincial budget. This reflects:

- \$161 million of additional CRF revenue:
 - personal income tax increased \$85 million due to a higher estimate of 1999 tax assessments;
 - other tax revenue increased \$98 million due to strong consumer sales activity in February and March;
 - natural resource revenue increased \$105 million mainly due to higher-than-expected forest harvest volumes in the last quarter;
 - Crown corporation contributions and other revenues increased \$53 million mainly due to higher-than-expected recoveries by ministries at year-end; and
 - federal contributions increased \$120 million primarily reflecting a decision to record the full provincial entitlement to the Canada health and social transfer (CHST) supplement in 1999/00.
- a \$393-million reduction in CRF spending primarily due to change in pension accounting policy as recommended by the Auditor General
- a \$113-million improvement in taxpayer-supported Crown corporations and agencies:
 - Forest Renewal BC improved \$48 million due to higher-than-expected stumpage revenue in the last quarter;
 - BC Transportation Financing Authority improved \$19 million due to higher-than-expected dedicated taxes received at year-end; and
 - other Crown corporations and adjustments were \$76 million better than planned mainly due to the positive effect of the government's assumption of debt owed by 580440 British Columbia Ltd. (Vancouver Trade and Convention Centre).
- a \$100-million improvement in self-supported Crown corporations, primarily reflecting better-than-anticipated results for ICBC and Skeena Cellulose in the first quarter of 2000.
- \$100 million of forecast allowance that was not needed.

Consolidated Revenue Fund Revenue

CRF revenue totalled \$21,846 million in 1999/00. Chart 2.3 shows a breakdown of CRF revenue by source, while Table 2.3 presents further details.

Chart 2.3 Consolidated Revenue Fund Revenue by Source, 1999/00*



* Excludes dedicated revenue collected on behalf of Crown corporations and other public bodies.

Total: \$21,846 million

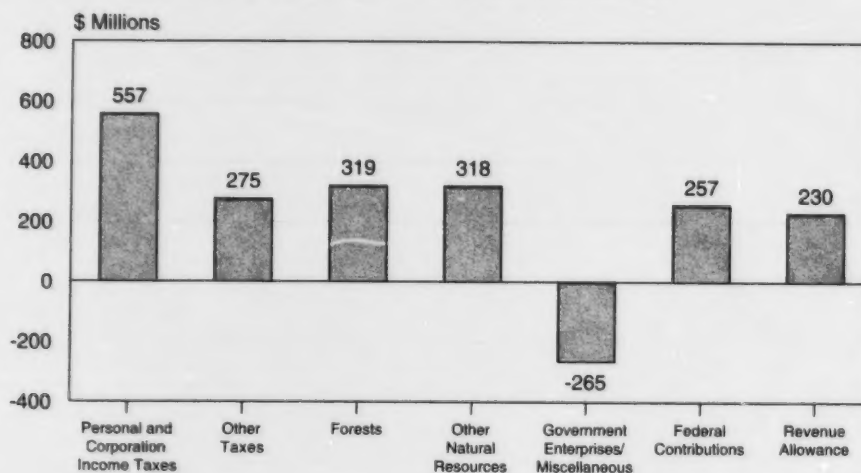
Approximately 61 per cent of CRF revenue came from taxation sources in 1999/00 — the largest part includes personal and corporation income tax collected by the federal government on behalf of the province. Federal government contributions, including CHST, accounted for 12 per cent of revenue while revenue from forests, petroleum, natural gas, and other natural resources comprised 11.5 per cent of revenue. Other sources, which include fees, licences, investment earnings and other miscellaneous sources made up 8.6 per cent of revenue. Contributions from government enterprises include profits and dividends received from British Columbia Lottery Corporation, the Liquor Distribution Branch and other Crown corporations. In 1999/00, these contributions totalled 6.7 per cent of revenue.

An additional \$768 million in dedicated revenue was collected on behalf of, and transferred to, certain provincial Crown corporations, agencies and other external public bodies in 1999/00. Except for amounts collected on behalf of other government jurisdictions such as the Greater Vancouver Transportation Authority (*TransLink*), dedicated revenues are included in the operating results of Crown corporations shown in Table 2.1.

Revenue for the year was \$1,691 million above budget at \$21,846 million. Almost \$500 million of the increase was due to one-time revenues received for prior year personal income tax assessments and additional CHST. Chart 2.4 shows that particular strength was apparent in revenue from taxation and natural resources due to increased economic growth and strong commodity prices. These helped to offset weaker-than-planned revenues from government enterprises and other sources.

The 1999/00 budget included a revenue allowance of \$230 million to provide a cushion corresponding to a real GDP decline of 0.6 per cent in 1999, 1.1 percentage points less than the budget forecast. As the economy performed better than expected during the year, the revenue allowance was not required.

Chart 2.4 1999/00 CRF Revenue — Changes from Budget



Nominal GDP, which most directly affects provincial revenue, is estimated to have grown 3.2 per cent in 1999. This compares to 1.1 per cent assumed in the budget. As well, commodity prices for key provincial resources were significantly higher than forecast. Revenue changes during the year include:

Personal income tax — \$465 million above budget and up 7.7 per cent from 1998/99. Higher-than-assumed final assessments for the 1998 tax year resulted in \$309 million of

one-time additional revenue in 1999/00. This also resulted in a higher-than-assumed base for 1999. Family bonus entitlements of \$103 million, representing 36 per cent of total provincial program costs, were deducted from revenue during the year — the remaining 64 per cent was reported as expenditure.

Corporation income tax — \$92 million above budget. Higher cash instalments resulting from a higher federal government estimate of 1999 national corporate profits offset a larger reimbursement to the federal government for overpayments received in 1998/99. However, compared to 1998/99, revenue in 1999/00 declined 14.4 per cent due to a lower provincial share of the national tax base. Cash instalments are determined by a formula set out in federal/provincial agreements.

Social service tax — \$148 million above budget. A larger-than-expected tax base at the end of 1998/99, along with strong collections in the last half of 1999/00, more than offset the effect of slower-than-expected retail sales growth in 1999.

Other taxes — \$127 million above budget reflecting the effect of stronger economic growth on a variety of sources. In 1999/00, homeowner grants totalling \$487 million were deducted from property tax revenue. The 28-per-cent decline in fuel tax revenue from 1998/99 reflects an increase in dedicated taxes collected on behalf of, and transferred to, provincial Crown corporations and other external agencies.

Petroleum, natural gas and minerals — \$295 million above budget and up 76 per cent from 1998/99 primarily due to higher oil and natural gas prices that resulted in increased royalties and sales of Crown land drilling rights.

Forests — \$319 million above budget due to higher-than-assumed harvest volumes and average forest-product prices. In addition, harvest volumes of 70.5 million cubic metres were 12.2 million cubic metres (21 per cent) above budget. The bellwether spruce-pine-fir 2x4 price rose sharply in 1999, peaking at US \$438 per thousand board feet in July.

Water and other resources — \$23 million above budget mainly due to higher sales of electricity received through the Columbia River Treaty.

Other revenue — \$40 million below budget as lower revenue from fees, licences and asset dispositions was partly offset by higher revenue from investment earnings and other miscellaneous sources.

Contributions from government enterprises — \$225 million below budget. British Columbia Buildings Corporation's dividend was \$175 million below budget due to lower property sales. The dividend from the British Columbia Railway Company was \$31 million below budget due to higher capital requirements, while combined net revenues from other corporations were \$19 million below budget.

Contributions from the federal government — \$257 million above budget due to \$171 million of one-time Canada health and social transfer (CHST) revenue, higher-than-expected CHST base adjustments and other cost-sharing recoveries.

Although the 1999/00 budget assumed that British Columbia would withdraw \$350 million of its full \$471-million entitlement to the CHST supplement announced in the 1999 federal budget, the Auditor General requested that the remaining \$121 million of entitlement also be recorded as revenue in 1999/00. A further \$50 million of one-time revenue resulted from federal revisions to provincial base entitlements in previous years. The remaining increase from budget was due to the federal government's obligation to maintain a \$12.5-billion national cash floor for provincial CHST payments, and higher recoveries under various federal/provincial cost-shared programs.

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Table 2.3 Revenue by Source
Consolidated Revenue Fund¹

	Budget Estimate 1999/00	Actual 1999/00	Actual 1998/99	Annual Change
Taxation Revenue:		(\$ million)		(per cent)
Personal income.....	5,374.0	5,333.5	5,423.0	7.7
Corporation income.....	847.0	830.1	1,097.7	(14.4)
Social service.....	3,190.0	3,337.7	3,209.2	4.0
Property.....	1,345.0	1,350.7	1,336.0	1.1
Fuel.....	436.0	490.9	653.5	(28.1)
Other.....	1,387.0	1,400.6	1,461.4	2.0
Less: Commissions on collection of public funds.....	(24.0)	(24.3)	(23.8)	2.1
Less: Allowance for doubtful accounts.....	(9.0)	(25.9)	(23.3)	7.3
	12,546.0	13,277.3	13,133.7	1.9
Natural Resource Revenue:				
Petroleum and natural gas.....	393.0	390.7	362.2	84.9
Minerals.....	29.0	43.9	43.9	6.8
Forests.....	1,073.0	1,392.1	1,092.8	27.4
Water.....	376.0	396.3	322.3	23.1
Other.....	14.0	14.3	14.4	3.5
Less: Commissions on collection of public funds.....	(1.0)	(1.0)	(1.1)	(9.1)
Less: Allowance for doubtful accounts.....	(4.0)	(2.4)	(5.0)	(52.0)
	1,880.0	2,516.3	1,829.5	37.6
Other Revenue:				
Fees and licences.....	1,638.0	1,568.1	1,568.6	(0.2)
Investment earnings.....	48.0	60.2	51.0	18.0
Miscellaneous.....	219.0	236.3	237.2	(0.8)
Asset dispositions.....	84.0	51.9	63.1	(17.7)
Less: Commissions on collection of public funds.....	(27.0)	(17.0)	(54.9)	(69.0)
Less: Allowance for doubtful accounts.....	(34.0)	(3.3)	(33.6)	(73.8)
	1,928.0	1,867.2	1,831.4	3.1
Contributions from Government Enterprises:				
Liquor Distribution Branch.....	620.0	617.4	615.6	0.3
British Columbia Hydro and Power Authority.....	348.0	345.0	322.9	6.2
British Columbia Lottery Corporation ²	424.0	416.0	369.4	12.6
Other.....	287.0	78.0	54.0	44.4
	1,679.0	1,456.4	1,361.9	6.8
Contributions from the Federal Government:				
Canada health and social transfer.....	2,208.0	2,438.1	1,968.0	23.9
Other.....	144.0	171.1	181.6	(5.8)
	2,352.0	2,609.2	2,149.6	21.4
Less: Revenue Allowance.....	(230.0)	—	—	—
Total Revenue.....	20,155.0	21,845.0	20,306.1	7.6

¹ Figures based on 1999/00 Public Accounts information. Figures exclude dedicated revenue totalling \$768 million collected on behalf of, and transferred to, British Columbia Transit, British Columbia Ferry Corporation, BC Transportation Financing Authority, Greater Vancouver Transportation Authority (TransLink), Forest Renewal BC, BC Oil and Gas Commission, and Tourism British Columbia. With the exception of TransLink revenue, which belongs to another government jurisdiction, dedicated revenues are included as part of the operations of Crown corporations and agencies. Further information is provided in Appendix 2.

² Additional British Columbia Lottery Corporation revenue of \$107 million was distributed to charities and local governments.

Table 2.4 Comparison of Main Revenue Assumptions and Actual Results — Consolidated Revenue Fund

Revenue Source/ Budget Estimate	Budget Assumptions	Actual ¹	Variance	Actual/Forecast ² Results
(\$ millions)		(\$ millions)		
Personal income tax \$5,374	1998 provincial tax base growth of 0.3%; 1999 personal income growth of 2.6%; 2000 personal income growth of 2.3%	\$5,839	\$465	1998 provincial tax base growth of 2.6%; 1999 personal income growth of 2.2%; 2000 personal income growth of 3.2%
Corporation income tax \$847	1998 provincial tax base growth of -9.0%; 1999 national tax base growth of -5.0%	\$939	\$92	1998 provincial tax base growth of -17.1%; 1999 national tax base growth of 15.0%
Social Service Tax \$3,190	1999 retail sales growth of 2.5%; 2.0% in 2000 1999 machinery and equipment spending increase of 1.1%; 4.0% in 2000	\$3,338	\$148	1999 retail sales growth of 1.9%; 2.8% in 2000 1999 machinery and equipment spending increase of 1.4%; 6.0% in 2000
Fuel/tobacco taxes \$914	1999 real GDP growth of 0.5%; 2.0% in 2000 1999 population growth of 0.9%; 1.3% in 2000	\$968	\$54	1999 real GDP growth of 1.4%; 2.2% in 2000 1999 population growth of 0.6%; 1.1% in 2000
Property/property transfer taxes \$1,561		\$1,595	\$34	
Other taxes \$660	1999 nominal GDP growth of 1.1%; 3.0% in 2000	\$699	\$39	1999 nominal GDP growth of 3.2%; 3.8% in 2000
\$12,546	Total taxation revenue	\$13,378	\$832	
Petroleum, natural gas and minerals \$422	Natural gas price at Cdn \$1.63/GJ; Natural gas production increase of 3.1%; Crown land drilling right sales/leases at \$120 million; Minerals revenue at \$29 million	\$717	\$295	Natural gas price at Cdn \$2.09/GJ; Natural gas production increase of 3.5%; Crown land drilling right sales/leases at \$248 million; Minerals revenue at \$47 million
Forests \$1,073	Crown coastal harvest of 13.9 million m ³ ; Crown interior harvest of 44.4 million m ³ ; (Total Crown harvest 58.3 million m ³); Average 1999 prices: SPF 2x4 US \$295/1,000 bd ft; hemlock US \$525/1,000 bd ft; pulp US \$484/tonne	\$1,392	\$319	Crown coastal harvest of 19.6 million m ³ ; Crown interior harvest of 50.9 million m ³ ; (Total Crown harvest 70.5 million m ³); Average 1999 prices: SPF 2x4 US \$341/1,000 bd ft; hemlock US \$584/1,000 bd ft; pulp US \$522/tonne
Other natural resource \$385	Water rental revenue at \$291 million; Columbia River Treaty sales at \$85 million; Other at \$9 million	\$408	\$23	Water rental revenue at \$297 million (higher generation); Columbia River Treaty sales at \$100 million due to higher electricity prices; Other at \$11 million
\$1,880	Total natural resource revenue	\$2,517	\$637	
MSP \$896	1999 population growth of 0.9%; 1.3% in 2000	\$868	-\$28	1999 population growth of 0.6%; 1.1% in 2000
Other fees & licences, fines, investment earnings and misc. revenue \$948	1999 real GDP growth of 0.5%; 2.0% in 2000 1999 population growth of 0.9%; 1.3% in 2000 Average cash balances assumed for investment earnings	\$968	\$20	1999 real GDP growth of 1.4%; 2.2% in 2000 1999 population growth of 0.6%; 1.1% in 2000 Higher investment earnings due to higher cash balances
Asset dispositions \$84	Completion of BC Online disposition and other various projects	\$52	-\$32	Completion of BC Online, but lower proceeds and/or delayed disposition of other surplus assets
\$1,928	Total other revenue	\$1,888	-\$40	
Contributions from government enterprises \$1,679	Liquor Distribution Branch: \$620 million; BC Lottery Corporation: \$424 million (after revenue sharing of \$95 million); BC Hydro: \$348 million — assumed no transfer to the rate stabilization account (RSA); BC Buildings Corporation (BCBC): \$246 million (includes asset sales of \$150 million plus past and current profits); BC Rail: \$31 million (past and current profits); Other: \$10 million	\$1,454	-\$225	Liquor Distribution Branch: \$617 million; BC Lottery Corporation: \$416 million — down \$8 million due to higher revenue sharing; BC Hydro: \$343 million — after \$129-million transfer to the RSA; BCBC: \$71 million — \$175 million below budget mainly reflecting lower-than-assumed asset sales; BC Rail: no dividend due to higher capital spending requirements; Other: \$7 million
Canada health and social transfer \$2,208	Assumes \$350-million withdrawal of \$471-million provincial entitlement to \$3.5 billion national CHST supplement; 1998 national tax base growth of 3.0%; 3.7% in 1999; 2.6% in 2000	\$2,438	\$230	Additional \$121 million of supplement recorded as revenue in 1999/00; additional \$50 million of entitlement for prior years; 1998 national tax base growth of 7.5%; 4.6% in 1999; 2.6% in 2000; Remaining variance of \$59 million mainly reflects higher entitlement due to federal commitment to maintain national cash floor
Other federal transfers \$144	Based on projected spending under federal/provincial cost sharing programs	\$171	\$27	Higher-than-planned recoveries
\$2,352	Total federal government contributions	\$2,609	\$257	
Revenue allowance (\$230)	Real GDP growth at -0.6% (1.1 percentage points below budget forecast)	—	-\$230	Real GDP growth at 1.4% Revenue allowance not needed
\$20,155	Total Revenue	\$21,846	\$1,691	

¹ Actual revenue figures based on 1999/00 Public Accounts information.² Economic factors based on updated Statistics Canada data and the 2000/01 Budget forecast where Statistics Canada data is unavailable.

Table 2.3 Revenue by Source
Consolidated Revenue Fund¹

	Budget Estimate 1999/00	Actual 1999/00	Actual 1998/99	Annual Change
		(\$ millions)		(per cent)
Taxation Revenue:				
Personal income	5,374.0	5,839.0	5,423.0	7.7
Corporation income	847.0	939.1	1,097.7	(14.4)
Social service	3,190.0	3,337.7	3,209.2	4.0
Property	1,345.0	1,350.7	1,336.0	1.1
Fuel	436.0	469.9	653.5	(28.1)
Other	1,387.0	1,490.8	1,461.4	2.0
Less: Commissions on collection of public funds	(24.0)	(24.3)	(23.8)	2.1
Less: Allowance for doubtful accounts	(9.0)	(25.0)	(23.3)	7.3
	<u>12,546.0</u>	<u>13,377.9</u>	<u>13,133.7</u>	<u>1.9</u>
Natural Resource Revenue:				
Petroleum and natural gas	393.0	669.7	362.2	84.9
Minerals	29.0	46.9	43.9	6.8
Forests	1,073.0	1,392.1	1,092.8	27.4
Water	376.0	396.6	322.3	23.1
Other	14.0	14.9	14.4	3.5
Less: Commissions on collection of public funds	(1.0)	(1.0)	(1.1)	(9.1)
Less: Allowance for doubtful accounts	(4.0)	(2.4)	(5.0)	(52.0)
	<u>1,880.0</u>	<u>2,516.8</u>	<u>1,829.5</u>	<u>37.6</u>
Other Revenue:				
Fees and licences	1,638.0	1,566.1	1,568.6	(0.2)
Investment earnings	48.0	60.2	51.0	18.0
Miscellaneous	219.0	235.3	237.2	(0.8)
Asset dispositions	84.0	51.9	63.1	(17.7)
Less: Commissions on collection of public funds	(27.0)	(17.0)	(54.9)	(69.0)
Less: Allowance for doubtful accounts	(34.0)	(8.8)	(33.6)	(73.8)
	<u>1,928.0</u>	<u>1,887.7</u>	<u>1,831.4</u>	<u>3.1</u>
Contributions from Government Enterprises:				
Liquor Distribution Branch	620.0	617.4	615.6	0.3
British Columbia Hydro and Power Authority	348.0	343.0	322.9	6.2
British Columbia Lottery Corporation ²	424.0	416.0	369.4	12.6
Other	287.0	78.0	54.0	44.4
	<u>1,679.0</u>	<u>1,454.4</u>	<u>1,361.9</u>	<u>6.8</u>
Contributions from the Federal Government:				
Canada health and social transfer	2,208.0	2,438.1	1,968.0	23.9
Other	144.0	171.1	181.6	(5.8)
	<u>2,352.0</u>	<u>2,609.2</u>	<u>2,149.6</u>	<u>21.4</u>
Less: Revenue Allowance	<u>(230.0)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Revenue	<u>20,155.0</u>	<u>21,846.0</u>	<u>20,306.1</u>	<u>7.6</u>

¹ Figures based on 1999/00 Public Accounts information. Figures exclude dedicated revenue totalling \$768 million collected on behalf of, and transferred to, British Columbia Transit, British Columbia Ferry Corporation, BC Transportation Financing Authority, Greater Vancouver Transportation Authority (TransLink), Forest Renewal BC, BC Oil and Gas Commission, and Tourism British Columbia. With the exception of TransLink revenue, which belongs to another government jurisdiction, dedicated revenues are included as part of the operations of Crown corporations and agencies. Further information is provided in Appendix 2.

² Additional British Columbia Lottery Corporation revenue of \$107 million was distributed to charities and local governments.

Table 2.4 Comparison of Main Revenue Assumptions and Actual Results — Consolidated Revenue Fund

Revenue Source Budget Estimate	Budget Assumptions	Actual	Variance	Actual Forecast Results
(\$ millions)				(\$ millions)
Personal income tax \$5,374	1998 provincial tax base growth of 0.3% 1999 personal income growth of 2.6% 2000 personal income growth of 2.3%	\$5,839	\$465	1998 provincial tax base growth of 2.6% 1999 personal income growth of 2.2% 2000 personal income growth of 3.2%
Corporation income tax \$847	1998 provincial tax base growth of 9.0% 1999 national tax base growth of 5.0%	\$939	\$92	1998 provincial tax base growth of 17.1% 1999 national tax base growth of 15.0%
Social Service Tax \$3,190	1999 retail sales growth of 2.5% - 2.0% in 2000 1999 machinery and equipment spending increase of 1.1% - 4.0% in 2000	\$3,338	\$148	1999 retail sales growth of 1.9% - 2.8% in 2000 1999 machinery and equipment spending increase of 1.4% - 6.0% in 2000
Fuel tobacco taxes \$914	1999 real GDP growth of 0.5% - 2.0% in 2000 1999 population growth of 0.9% - 1.3% in 2000	\$968	\$54	1999 real GDP growth of 1.4% - 2.2% in 2000 1999 population growth of 0.6% - 1.1% in 2000
Property, property transfer taxes \$1,561		\$1,595	\$34	
Other taxes \$660	1999 nominal GDP growth of 1.1% - 3.0% in 2000	\$699	\$39	1999 nominal GDP growth of 3.2% - 3.8% in 2000
\$12,546	Total taxation revenue	\$13,378	\$832	
Petroleum natural gas and minerals \$422	Natural gas price at Cdn \$1.63/GJ Natural gas production increase of 3.1% Crown land drilling right sales leases at \$120 million. Minerals revenue at \$29 million	\$717	\$295	Natural gas price at Cdn \$2.09/GJ Natural gas production increase of 3.5% Crown land drilling right sales leases at \$248 million. Minerals revenue at \$47 million
Forests \$1,073	Crown coastal harvest of 13.9 million m ³ Crown interior harvest of 44.4 million m ³ (Total Crown harvest 58.3 million m ³) Average 1999 prices: SPF 2' x 4 US \$295/1,000 bd ft hemlock US \$525/1,000 bd ft pulp US \$484/tonne	\$1,392	\$319	Crown coastal harvest of 19.6 million m ³ Crown interior harvest of 50.9 million m ³ (Total Crown harvest 70.5 million m ³) Average 1999 prices: SPF 2' x 4 US \$341/1,000 bd ft hemlock US \$584/1,000 bd ft pulp US \$522/tonne
Other natural resource \$385	Water rental revenue at \$291 million Columbia River Treaty sales at \$85 million Other at \$9 million	\$438	\$23	Water rental revenue at \$297 million (higher generation). Columbia River Treaty sales at \$100 million due to higher electricity prices Other at \$11 million
\$1,860	Total natural resource revenue	\$2,517	\$637	
MSP \$896	1999 population growth of 0.9% - 1.3% in 2000	\$808	-\$28	1999 population growth of 0.6% - 1.1% in 2000
Other fees & licences, fines, investment earnings and misc. revenue \$948	1999 real GDP growth of 0.5% - 2.0% in 2000 1999 population growth of 0.9% - 1.3% in 2000 Average cash balances assumed for investment earnings	\$968	\$20	1999 real GDP growth of 1.4% - 2.2% in 2000 1999 population growth of 0.6% - 1.1% in 2000 Higher investment earnings due to higher cash balances
Asset dispositions \$84	Completion of BC Online disposition and other various projects	\$52	-\$32	Completion of BC Online, but lower proceeds and/or delayed disposition of other surplus assets
\$1,928	Total other revenue	\$1,868	-\$40	
Contributions from government enterprises \$1,679	Liquor Distribution Branch: \$620 million BC Lottery Corporation: \$424 million (after revenue sharing of \$95 million) BC Hydro: \$348 million — assumed no transfer to the rate stabilization account (RSA) BC Buildings Corporation (BCBC): \$246 million (includes asset sales of \$150 million plus past and current profits) BC Rail: \$31 million (past and current profits) Other: \$10 million	\$1,454	-\$225	Liquor Distribution Branch: \$617 million BC Lottery Corporation: \$416 million — down \$8 million due to higher revenue sharing BC Hydro: \$343 million — after \$129 million transfer to the RSA BCBC: \$71 million — \$175 million below budget mainly reflecting lower than assumed asset sales BC Rail: no dividend due to higher capital spending requirements Other: \$7 million
Canada health and social transfer \$2,208	Assumes \$350 million withdrawal of \$471 million provincial entitlement to \$3.5 billion national CHST supplement 1998 national tax base growth of 3.0% - 3.7% in 1999 - 2.6% in 2000	\$2,438	\$230	Additional \$121 million of supplement recorded as revenue in 1999/00 (additional \$80 million of entitlement for prior years) 1998 national tax base growth of 7.5% - 4.6% in 1999 - 2.6% in 2000 Remaining variance of \$59 million mainly reflects higher entitlement due to federal commitment to maintain national cash floor Higher-than-planned recoveries
Other federal transfers \$144	Based on projected spending under federal provincial cost sharing programs	\$171	\$27	
\$2,352	Total federal government contributions	\$2,609	\$257	
Revenue allowance (\$230)	Real GDP growth at -0.6% (1.1 percentage points below budget forecast)	—	\$230	Real GDP growth at 1.4% Revenue allowance not needed
\$20,155	Total Revenue	\$21,846	\$1,691	

¹ Actual revenue figures based on 1999/00 Public Accounts information.

² Economic factors based on updated Statistics Canada data and the 2000/01 Budget forecast where Statistics Canada data is unavailable.

Revenue collected on behalf of other agencies — in 1999/00, revenue of \$768 million was collected on behalf of, and transferred to, other governments, Crown corporations and agencies including:

- sales tax — \$11 million for the BC Transportation Financing Authority and \$10 million for the Greater Vancouver Transportation Authority (*TransLink*);
- fuel tax — \$410 million for British Columbia Transit, the BC Transportation Financing Authority, the British Columbia Ferry Corporation and the Greater Vancouver Transportation Authority (*TransLink*);
- stumpage — \$302 million for Forest Renewal BC.
- hotel room tax — \$22 million for Tourism British Columbia; and
- oil and gas — \$13 million for the BC Oil and Gas Commission.

Further information is provided in Appendix 2.

Table 2.4 provides a comparison of the main economic and policy assumptions used in preparing the 1999/00 revenue forecast, with actual results based on the latest information for the year.

Consolidated Revenue Fund Expenditure

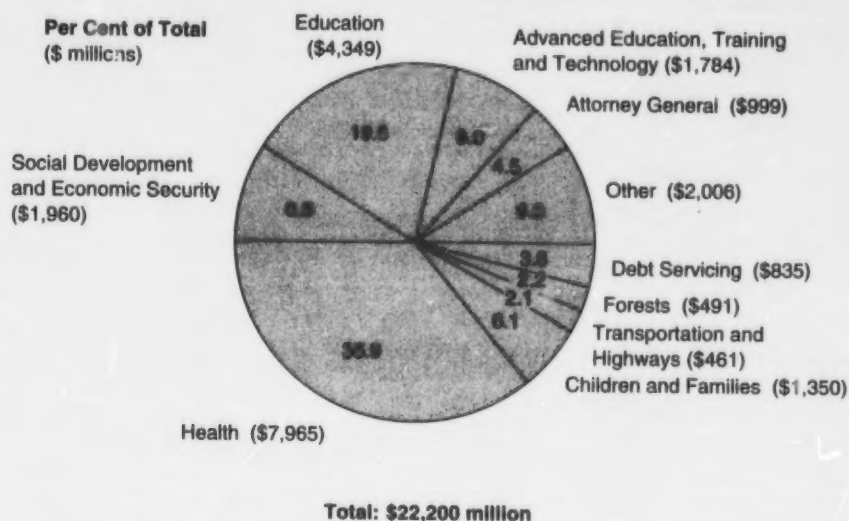
Expenditure of the consolidated revenue fund totalled \$22,200 million in 1999/00, \$1,155 million above budget. The increase from budget was due to:

- \$1,183 million of one-time expenditures to record the forgiveness of \$1,080 million of debt owed to the government by the British Columbia Ferry Corporation, and write-downs of provincial investments in the Vancouver Trade and Convention Centre project and the Kemess mine totalling \$103 million;
- program overspending, primarily in the Ministries of Health, Attorney General and Children and Families, totalling \$324 million; and
- a partially offsetting \$352-million expenditure reduction resulting from a change in pension accounting policy as recommended by the Auditor General.

Excluding the one-time items and the change in pension accounting policy, expenditure was \$324 million above budget in 1999/00, or 2.9 per cent higher than comparable expenditure in 1998/99.

In 1999/00, six ministries — Health; Education; Advanced Education, Training and Technology; Social Development and Economic Security; Children and Families; and Attorney General — accounted for 83 per cent of total provincial government expenditure. Interest payments on the government's direct operating debt accounted for 3.8 per cent of expenditure (see Chart 2.5).

Expenditure results by ministry are shown in Table 2.5.

Chart 2.5 Consolidated Revenue Fund Expenditure by Ministry, 1999/00

During 1999/00, program expenditure pressures emerged in the Ministries of Health, Attorney General and Children and Families and in other areas. These pressures were partially offset by spending reductions and lower-than-expected debt interest costs. At year-end, spending was on or below budget in 11 of the 20 ministries. Significant areas of spending and changes from budget included:

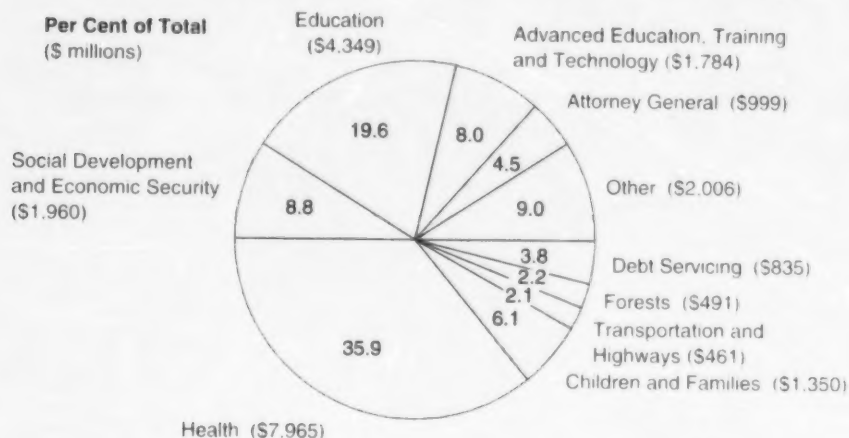
Ministry of Advanced Education, Training and Technology — \$13 million below budget. Contributions to British Columbia Transit were \$23 million below budget due to a change in the formula used for amortizing annual capital investments. This was partially offset by \$10 million of additional spending in support of the High Technology Strategy. Ministry spending was \$94 million lower than the previous year, primarily reflecting the reorganization of transit responsibilities in the Lower Mainland from British Columbia Transit to the Greater Vancouver Transportation Authority (*TransLink*) at the end of 1998/99.

Ministry of Attorney General — \$81 million above budget mainly due to higher costs for court claims under the *Crown Proceeding Act* and for flood damage compensation, partially offset by reduced spending in other programs.

Ministry for Children and Families — \$36 million above budget and 3.4 per cent higher than the previous year mainly due to higher-than-expected direct and indirect costs of salary compensation settlements for contracted agencies in the community social services sector.

Ministry of Community Development, Co-operatives and Volunteers — This new ministry was established after the start of the year. The small level of spending in 1999/00 reflects partial-year funding with an additional \$12 million of spending financed through the contingencies and new programs vote.

Ministry of Education — slightly above budget as higher costs for the teachers' accord were partially offset by savings resulting from a public school strike in late March 2000. Ministry spending rose \$101 million from the previous year, reflecting increased operating expenditures for public and independent schools, and higher capital and debt service costs. During 1999/00, public school enrolment fell 0.1 per cent and independent school enrolment rose 0.5 per cent.

Chart 2.5 Consolidated Revenue Fund Expenditure by Ministry, 1999/00

Total: \$22,200 million

During 1999/00, program expenditure pressures emerged in the Ministries of Health, Attorney General and Children and Families and in other areas. These pressures were partially offset by spending reductions and lower-than-expected debt interest costs. At year-end, spending was on or below budget in 11 of the 20 ministries. Significant areas of spending and changes from budget included:

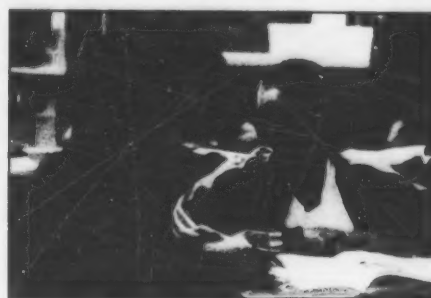
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Ministry of Attorney General — \$81 million above budget mainly due to higher costs for court claims under the *Crown Proceeding Act* and for flood damage compensation, partially offset by reduced spending in other programs.

Ministry for Children and Families — \$30 million above budget and 3.4 per cent higher than the previous year mainly due to higher-than-expected direct and indirect costs of salary compensation settlements for contracted agencies in the community social services sector.

Ministry of Community Development, Co-operatives and Volunteers — This new ministry was established after the start of the year. The small level of spending in 1999/00 reflects partial-year funding with an additional \$12 million of spending financed through the contingencies and new programs vote.

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Health care and education account for almost two-thirds of total ministry spending.

Ministry of Forests — on budget as \$22-million in spending pressures for unanticipated costs of forest road bridge rehabilitation and bark beetle infestation management was offset by savings in fire suppression and other areas. Ministry spending was \$87 million lower than the previous year, mainly due to unusually high forest fire suppression costs in 1998/99.

Ministry of Health — \$245 million above budget. Spending for acute and continuing care was \$163 million above budget due to an additional \$105 million of costs resulting from health care sector wage arbitration, and increased long-term beds, home-support services and clinical equipment. The Medical Services Plan was up \$83 million reflecting a negotiated settlement with the British Columbia Medical Association and higher spending through the Medical and Health Care Services special account. Pharmacare was up \$20 million due to increased drug costs and utilization while capital debt servicing and other health costs were \$21 million below budget. Overall spending rose \$581 million from 1998/99, resulting from significant increases in most program areas.

Ministry of Multiculturalism and Immigration — \$91 million above budget and \$92 million higher than 1998/99. The ministry is also responsible for the Public Service Employee Relations Commission, including government-wide pension benefits. The increase from budget reflects additional costs arising from changes to the Public Service Pension Plan, partially offset by employer contribution refunds.

Ministry of Municipal Affairs — although slightly above budget, spending was \$77 million lower than 1998/99 due to lower grant disbursements to local governments and reduced funding requirements resulting from the windup of the 1994 Canada/British Columbia Infrastructure Works Agreement.

Ministry of Social Development and Economic Security — slightly below budget. During the year, the average income assistance caseload decreased by 4.5 per cent, following a 6.6-per-cent decrease in 1998/99 mainly due to the introduction of programs to move individuals off income assistance and into work.

Ministry of Transportation and Highways — on budget. During 1999/00, the ministry undertook \$281 million of capital construction and \$147 million of highway rehabilitation, on a cost-recovery basis, on behalf of the BC Transportation Financing Authority. Additional spending of \$17 million for environmental remediation was financed through the contingencies and new programs vote.

**Table 2.5 Expenditure by Ministry
Consolidated Revenue Fund¹**

	Budget ² Estimate 1999/00	Actual 1999/00 (\$ millions)	Actual ² 1998/99	Annual Change (per cent)
Legislation.....	36.6	34.3	35.1	(2.3)
Officers of the Legislature.....	28.2	28.1	23.5	19.6
Office of the Premier.....	2.1	2.1	2.3	(8.7)
Aboriginal Affairs.....	33.4	31.8	29.4	8.2
Advanced Education, Training and Technology.....	1,796.7	1,783.5	1,877.3	(5.0)
Agriculture, Food and Fisheries.....	76.2	76.2	82.5	(7.6)
Attorney General.....	918.2	999.1	926.0	7.9
Children and Families.....	1,313.7	1,350.0	1,306.0	3.4
Community Development, Cooperatives and Volunteers.....	5.3	3.8	2.2	72.7
Education.....	4,345.3	4,348.7	4,248.1	2.4
Employment and Investment.....	37.4	34.4	37.9	(9.2)
Energy and Mines.....	36.7	35.2	31.1	13.2
Environment, Lands and Parks.....	194.8	189.4	180.6	10.4
Finance and Corporate Relations.....	111.9	114.8	118.2	(2.9)
Forests.....	491.5	491.2	577.9	(15.0)
Health.....	7,720.1	7,985.3	7,384.7	7.9
Labour.....	27.9	27.7	27.4	1.1
Multiculturalism and Immigration.....	20.6	111.8 ³	19.4	—
Municipal Affairs.....	141.5	145.1	221.6	(34.5)
Small Business, Tourism and Culture.....	83.6	86.4	86.0	0.5
Social Development and Economic Security.....	1,963.6	1,959.6	1,953.0	0.3
Transportation and Highways.....	462.9	481.1	479.2	(3.8)
Women's Equality.....	45.3	44.8	44.6	—
Other Appropriations:				
Management of Public Funds and Debt.....	940.0	834.9	838.1	(0.4)
Contingencies (All Ministries) and New Programs.....	110.0	107.9	86.4 ⁴	24.9
BC Benefits.....	183.6	183.7	233.0	(21.2)
Environmental Assessment and Land Use Coordination.....	15.1	14.1	15.3	(7.8)
Environmental Boards and Forest Appeals Commission.....	2.0	1.4	1.2	16.7
Forest Practices Board.....	5.2	4.7	4.6	2.2
Public Sector Employers' Council.....	3.2	3.0	2.9	3.4
Insurance and Risk Management Special Account.....	8.9	15.1	14.7	2.7
Amortization of Change in Unfunded Pension Liability.....	(116.5)	(129.6)	(116.3)	11.4
Total Expenditure Before Special Items.....	21,045.0	21,389.4	20,773.9	2.9
British Columbia Ferry Corporation Debt Forgiveness.....	—	1,080.0	—	—
Vancouver Trade and Convention Centre Write-down.....	—	70.0	—	—
Kemess Mine Investment Write-down.....	—	32.8	—	—
Pension Accounting Policy Change.....	—	(351.8)	(186.5)	88.6
Total Expenditure.....	21,045.0	22,200.4	20,587.4	7.8

¹ Figures based on 1999/00 Public Accounts information.² Actual figures for 1998/99 and budget figures for 1999/00 have been restated to reflect the government's organization and accounting policy effective March 31, 2000. 1998/99 expenditure has been reduced by \$186.5 million to reflect a change in pension accounting policy, and increased \$2.2 million to reflect other accounting changes.³ The Ministry of Multiculturalism and Immigration includes Public Service Employee Relations Commission one-time pension benefit costs resulting from changes to the Public Service Pension Plan.⁴ Includes \$24-million operating grant to the British Columbia Ferry Corporation.

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³ The Ministry of Multiculturalism and Immigration includes Public Service Employee Relations Commission one-time pension benefit costs resulting from changes to the Public Service Pension Plan.

⁴ Includes \$24-million operating grant to the British Columbia Ferry Corporation.

Management of Public Funds and Debt (debt interest) — \$105 million below budget due to lower-than-assumed borrowing requirements and interest rates, and favourable foreign exchange rates. During the year, short-term interest rates averaged 5.0 per cent and long-term rates averaged 5.5 per cent compared to the budget assumptions of 5.2 per cent and 6.1 per cent respectively. Despite a higher level of outstanding debt, costs were 0.4 per cent lower than the previous year.

BC Benefits — on budget and \$49 million lower than 1998/99 due to program changes in response to federal changes to the National Child Benefit System.

Pension Expenditure — 1999/00 expenditure was reduced by \$130 million to reflect the annual amortization of a reduction in the unfunded pension liability of the Public Service Pension Plan, the Teachers' Pension Plan, and the provincial share of the Municipal Pension Plan.

The Auditor General requested that the government change its basis of accounting for pension costs to conform more closely with emerging accounting guidelines. By adopting this change, the government is required to recognize pension plan surpluses and estimated changes in unfunded pension liabilities on an annual basis. Based on updated actuarial information, the overall pension expense was reduced by a further \$352 million primarily due to significant pension investment earnings. A comparative adjustment of \$187 million was also recorded for 1998/99. Appendix 2 and the *1999/00 Public Accounts* provide additional information on the government's pension plans.

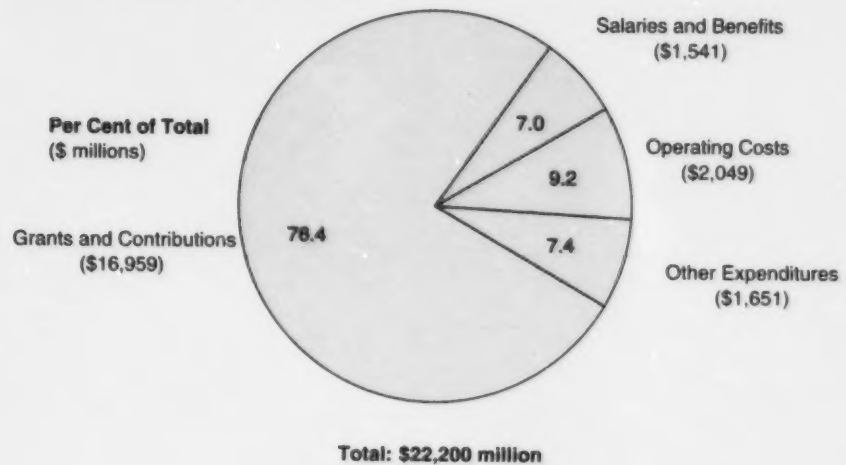
One-time Expenditures — totalled \$1,183 million and included:

- \$1,080 million to reflect the government's forgiveness of debt owed by the British Columbia Ferry Corporation;
- \$70 million to reflect the write-down of project costs resulting from the cancellation of the Vancouver Trade and Convention Centre project; and
- \$33 million to reflect the write-down of the provincial investment in the Kemess mine.

Chart 2.6 shows the provincial government's spending in 1999/00, according to expenditure type.

Over 76 per cent of provincial government spending in 1999/00 was for grants and contributions to schools, hospitals, universities and colleges, other agencies and organizations, local governments and income assistance to individuals. Salaries and benefits for direct employees accounted for 7.0 per cent of spending. Operating costs, which include office operations, asset amortization, utilities, computer systems, building rentals, professional services, travel, and advertising and publications, made up 9.2 per cent of spending. The remaining 7.4 per cent of spending grouped under other expenditures includes interest charges on government direct operating debt, which equalled 3.8 per cent of total spending, recoveries from outside of government, which reduced government spending, and one-time expenditures to record the forgiveness of British Columbia Ferry Corporation debt and other write-downs.

Chart 2.6 Consolidated Revenue Fund Expenditure by Group Account Classification¹, 1999/00



¹ Excluding one-time expenditures and pension policy change adjustments, classification proportions would be: grants and contributions 79.4%; operating costs 9.6%; salaries and benefits 8.6%; and other expenditures 2.2%.

Crown Corporation Results

Taxpayer-supported Crown corporations and agencies provide economic and social benefits but generally depend on provincial government subsidies or dedicated revenue sources.

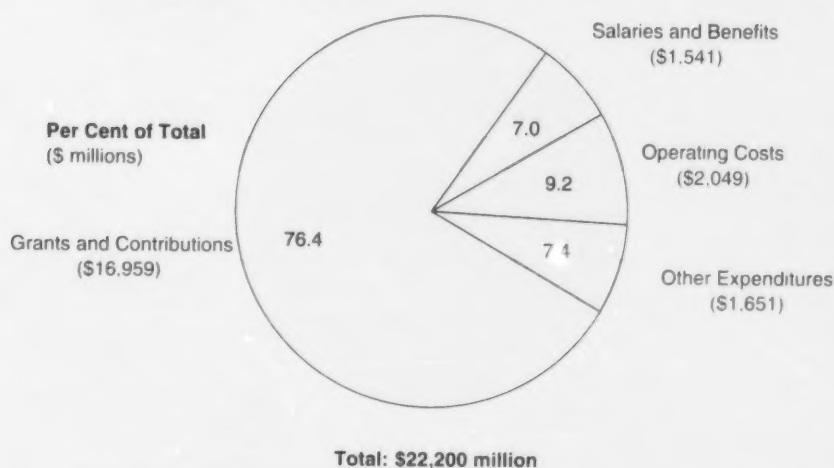
Self-supported commercial Crown corporations generally pay their own operating and debt service costs without provincial government assistance, and may also pay dividends to the government.

The operations of Crown corporations and agencies are recorded in their own financial statements, which are subject to audit by the Auditor General or by private sector auditors. The government's consolidated revenue fund financial statements reflect transactions between the government and its Crown corporations and agencies. Combined financial results of the government and its Crown corporations and agencies are reported in the government's summary financial statements.

In total, Crown corporations and agencies reported a net contribution to the summary accounts of \$406 million in 1999/00. This compares to the budget forecast of a \$639-million loss and a \$722-million loss in 1998/99 (see Table 2.1). Most of the improvement reflects the one-time benefit of the government's forgiveness of debt owed by the British Columbia Ferry Corporation.



Chart 2.6 Consolidated Revenue Fund Expenditure by Group Account Classification¹, 1999/00



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Table 2.6 provides summary operating results for major Crown corporations based on their 1999/00 financial statements (or fiscal years ending in that period). Five-year details are provided in Appendix 2.

Table 2.6 Operating Results of Major Crown Corporations and Agencies¹

	1999/00				1998/99		
	Revenue	Expenditure	Actual Net Income	Budget Estimate Net Income ²	Revenue	Expenditure	Actual Net Income
\$ millions							
Taxpayer-supported:							
British Columbia Buildings Corporation.....	464	419	45	75	446	397	49
British Columbia Ferry Corporation.....	443	742	(299)	(51)	399	513	(114)
BC Transportation Financing Authority ³	400	378	22	4	126	240	(114)
Forest Renewal BC.....	333	332	1	(243)	223	488	(265)
Self-supported commercial:							
British Columbia Hydro and Power Authority.....	3,457	2,912	545	417	3,017	2,622	395
Less: Transfer to rate stabilization account.....			(129)	—			—
			416	417			395
Liquor Distribution Branch..	1,670	1,053	617	620	1,645	1,029	616
British Columbia Lottery Corporation.....	1,402	870	532	510	1,262	806	456
British Columbia Railway Company ⁴	479	1,061	(582)	32	418	394	24
Insurance Corporation of British Columbia ⁴	2,835	2,739	96	(7)	2,776	2,702	74

¹ Based on 1999/00 Public Accounts information.

² Based on Crown corporation and Ministry of Finance and Corporate Relations estimates.

³ 1999/00 revenue and expenditure include the amortization of contributed surplus and the cost of highways transferred to the authority by the provincial government.

⁴ These corporations have fiscal years ending December 31. For example, figures for 1999/00 reflect the operating results for the year ended December 31, 1999.

Taxpayer-Supported Crown Corporations and Agencies

British Columbia Buildings Corporation (BCBC)

Net income of \$45 million was \$30 million below budget mainly due to lower-than-assumed sales of properties.

- Revenue increased 3.9 per cent from 1998/99 while expenses rose 5.5 per cent, primarily due to higher costs for client-requested projects, environment, energy and debt interest. Interest costs increased 17 per cent due to one-time costs for retiring some high-interest rate debt.
- In 1999/00, the corporation paid a \$71-million dividend to the government in respect of profits in previous years.

British Columbia Ferry Corporation

A net loss of \$299 million was \$248 million above budget and \$185 million higher than 1998/99 due to the effect of a \$240-million write-down of the *PacifiCat* ferries.

- Operating revenue increased slightly from 1998/99 as a result of a marginal increase in toll traffic and higher income from catering and other sources. The corporation

received \$65 million of dedicated fuel tax from the provincial government (1.25 cents per litre of provincial fuel tax), replacing the \$24-million provincial grant received in the previous year.

- Operating costs increased 4.2 per cent due to higher costs for fuel, repairs and a \$5-million write-down of the *Queen of Victoria*. Interest costs rose 25 per cent because of higher outstanding debt, and amortization expense rose 21 per cent.
- A decision to sell the three *PacifiCats* resulted in a requirement to write down their value to an estimated realizable value. Excluding write-downs related to *PacifiCat* ferries, the corporation had a \$59 million loss in 1999/00, \$7 million lower than in the previous year.

BC Transportation
Financing Authority
(BCTFA)

Net income of \$22 million was up \$18 million from budget and compares to a \$114-million loss in 1998/99. The improvement from the previous year primarily reflects a \$91-million one-time cost in 1998/99 related to the transfer of Lower Mainland highways to the Greater Vancouver Transportation Authority (*TransLink*).

- Operating revenue increased 67 per cent from 1998/99 largely due to a 1-cent-per-litre increase in dedicated fuel tax received from the government. An additional \$190-million of revenue was recognized to reflect the amortization of the value of provincial highway assets contributed to the BCTFA on March 31, 1999.
- Expenditures (excluding one-time items) rose \$228 million in 1999/00 mainly due to \$190 million additional amortization costs for provincial highways transferred to the BCTFA on March 31, 1999, and higher debt interest expense.
- Capital spending on transportation infrastructure projects totalled \$479 million for the year.

Forest Renewal BC
(FRBC)

Net income of \$1 million was recorded compared to a budgeted loss of \$243 million for 1999/00 and a \$265-million loss in 1998/99. The improvement from 1998/99 was due to a recovery in stumpage revenue and a reduction in spending.

- Revenue increased 49 per cent from 1998/99 due to higher stumpage revenue received in response to improved market conditions.
- Expenditure fell 32 per cent in 1999/00 as a result of planned spending reductions in response to a lower revenue outlook at the start of the year.
- At year-end, FRBC had a \$400-million investment in its program continuity reserve to fund future program commitments.

Other Taxpayer-
supported Crown
Corporations and
Agencies

A combined loss of \$44 million was recorded compared to budgeted net income of \$25 million. The change largely reflects the effect of the government's decision to cancel the Vancouver Trade and Convention Centre project. Other results included:

- British Columbia Transit — net expenditures of \$118 million for operations outside of the Lower Mainland were fully funded through farebox, investment earnings, and provincial and municipal contributions.
- British Columbia Assets and Land Corporation — \$8 million net income. In 1999/00, the corporation paid a \$7-million dividend to the government.
- BC Pavilion Corporation — in balance after receiving a \$2-million provincial subsidy for operating shortfalls and capital expenditures.
- Pacific National Exhibition — \$1 million loss due to poor weather.
- British Columbia Assessment Authority — \$3 million net income.

**Commercial
Crown
Corporations and
Agencies****British Columbia
Hydro and Power
Authority**

Net income of \$416 million was slightly below plan and \$21 million higher than 1998/99, after a \$129-million transfer to the Authority's rate stabilization account.

- In the sixth year of a rate freeze, domestic revenues rose 2.2 per cent as colder weather conditions and customer growth increased residential, light industrial and commercial consumption. This was partially offset by lower large industrial sales due to a temporary shutdown in the mining sector.
- Electricity trade income increased \$390 million due to a 25-per-cent increase in average energy prices and higher U.S. demand.
- Energy costs rose 26 per cent due to higher electricity trade sales volumes and transmission costs, partially offset by lower domestic costs from greater use of low-cost hydro generation.
- Operations, maintenance and administration costs increased 8.3 per cent, while finance costs fell 5.9 per cent due to the re-financing of U.S. long-term debt at lower interest rates.
- As required by regulation, \$129 million of surplus earnings was transferred to the rate stabilization account at year-end, resulting in net income of \$416 million. The Authority also paid a \$343-million dividend to the government.
- Capital spending totalled \$403 million and was used to expand and improve the distribution system, upgrade substations, transmission lines, computers, and for control and communications projects.

**Liquor Distribution
Branch (LDB)**

Net income of \$617 million was \$3 million below budget and slightly higher than 1998/99 as a 1.5-per-cent increase in net sales (after direct costs) and other income was partially offset by a 5.7-per-cent increase in operating costs. LDB net income is reported as part of the government's CRF revenue.

**British Columbia
Lottery Corporation**

Net income of \$532 million was \$22 million higher than budget and 17 per cent higher than 1998/99 mainly due to increased casino and electronic bingo activity.

- Sales increased 11 per cent from the previous year. Lotto 6/49 sales declined \$31 million due to fewer jackpot rollovers, but this was mainly offset by increased sales of other lottery products. Casino and electronic bingo revenues increased \$143 million due to the full-year effect of operations commenced later in the previous year.
- Prizes and other direct costs rose 6.7 per cent in response to higher sales while operating expenses increased 16 per cent mainly due to increased goods and services tax (GST) paid for ticket sales.
- Of the \$523 million remitted to the government during the year, \$107 million was transferred to charities and local governments. The balance was reported as CRF revenue.



B.C. Rail passenger train

British Columbia
Railway Company

A net loss of \$582 million for the year ending December 31, 1999, resulted from a \$617-million one-time write-down of rail investments, primarily in the northeast coal area. Excluding this write-down, operating net income of \$34 million was \$2 million higher than budget and 42 per cent higher than the previous year.

- Operating revenue increased 15 per cent from 1998/99 due to additional revenue from Canadian Stevedoring and the Finlay Navigation Partnership acquired in October 1998 and June 1999, and higher forest product and barging revenue.
- Operating expenses rose 14 per cent in 1999/00 primarily due to additional costs of the Canadian Stevedoring and the Finlay Navigation Partnership operations, and higher debt interest costs.
- The announced closure of the Quintette mine resulted in an asset impairment review of company rail assets and a \$617-million write-down of investments in four northern rail subdivisions, including Tumbler Ridge.

Insurance
Corporation of
British Columbia

Net income of \$96 million for the year ending December 31, 1999, was significantly higher than budget and compared to net income of \$74 million in 1998 (after deducting a \$47-million road safety dividend).

- Despite a premium rate freeze, net revenue increased slightly from 1998 mainly due to higher investment income. The number of vehicle policies increased 0.8 per cent while the average premium per policy fell 0.6 per cent.
- Costs for claims incurred declined 3.8 per cent. Although the number of claims increased 3.7 per cent, the average cost per claim decreased and there was also a significant downward adjustment in the expected cost of settling outstanding claims in previous years.
- Other expenses increased 14 per cent due to higher costs for administration, computer systems, and commercial vehicle compliance operations.

**Other Commercial
Crown Corporations
and Agencies**

A combined net income of \$1 million compared to a \$23-million net loss in 1998/99 mainly due to a lower net loss of 552513 British Columbia Ltd. (Skeena Cellulose Inc.). 1999/00 results include \$4 million of net income for Columbia Power Corporation, partially offset by a \$3-million loss for 552513 British Columbian Ltd. (Skeena Cellulose Inc.).

Five-year financial statements for selected major Crown corporations are presented in Appendix Tables A2.9 to A2.17.



An artist's rendition of Bombardier's MKII SkyTrain Car

**Summary
Accounts Net
Deficiency**

In 1999/00, the summary accounts showed a surplus of \$52 million. In addition, the government also recorded a number of retroactive adjustments to reflect changes in accounting policies and corrections of information published in the previous year. In total, these comparative adjustments reduced the 1998/99 summary accounts deficit by \$216 million, from \$1,219 million previously reported to \$1,003 million. The adjustments also resulted in a prior-period adjustment that reduced the summary accounts accumulated net deficiency (accumulated deficit) at March 31, 2000, by \$5,673 million. This adjustment consisted of the following items:

- The government's capitalization accounting policy was extended to apply to highway infrastructure and specialized equipment. This change, together with some other minor capital valuation corrections, reduced the 1998/99 deficit by \$9 million and the accumulated net deficiency by \$5,638 million.
- The method of calculating pension expenses was changed in response to a recommendation of the Auditor General. This change reduced the 1998/99 deficit by \$187 million and accumulated net deficiency by \$92 million.
- Various adjustments to recognize capitalized inventory of the Small Business Forest Enterprise Program in the Ministry of Forests; a reduction in the value of prepaid capital advances and a Crown corporation's change in accounting policy for post-employment benefits reduced the 1998/99 deficit by \$20 million, and increased the accumulated net deficiency by \$57 million.

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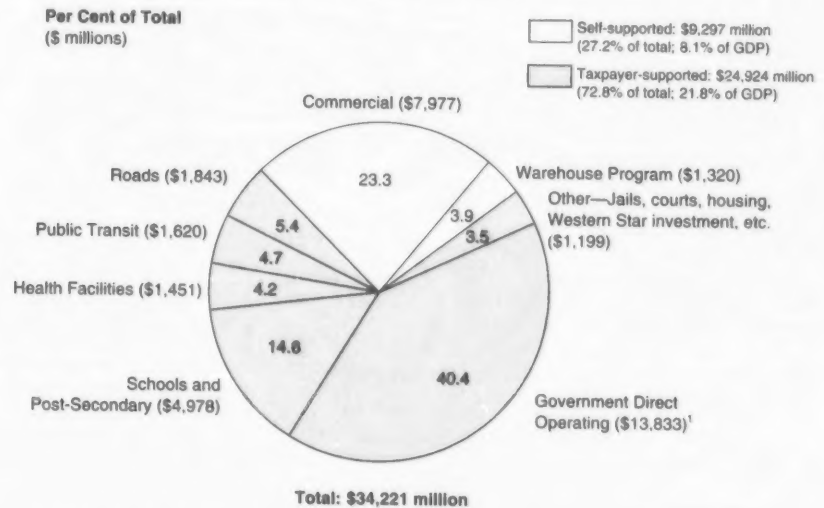
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The 1990/00 summary accounts surplus, together with prior-period adjustments, reduced the summary accounts net deficiency to \$4,940 million at March 31, 2000. Further information on changes to the government's accounting policies is shown in Appendix 2 and in the 1999/00 Public Accounts.

Provincial Capital Spending

Roughly \$22 billion or almost 70 per cent of total provincial net debt (excluding the warehouse borrowing program) reflects investments in capital assets — schools, hospitals, roads, transportation, utilities, and other forms of provincial infrastructure.

Chart 2.7 Provincial Net Debt at March 31, 2000



¹ Direct operating debt includes debt to finance operating deficits and a portion of roads infrastructure debt incurred up to 1994/95, and ferry infrastructure debt incurred up to 1999/00.

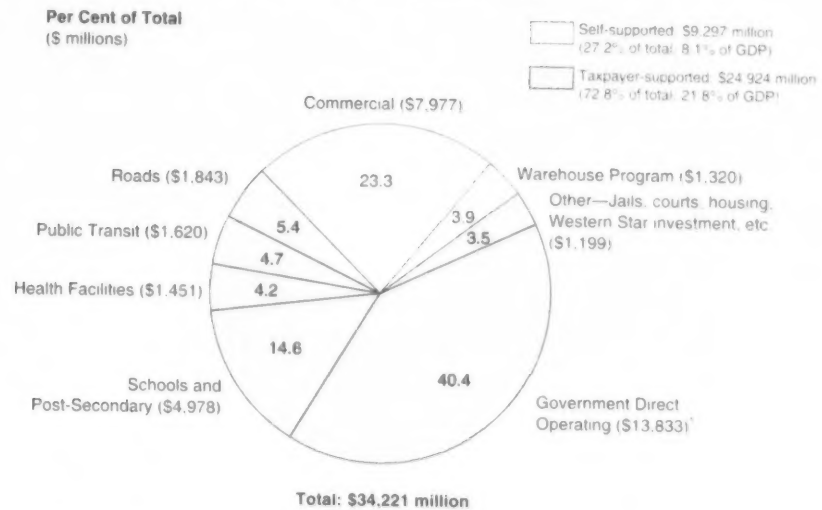


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Chart 2.7 Provincial Net Debt at March 31, 2000



1. Direct operating debt includes debt to finance operating deficits and a portion of roads infrastructure debt incurred up to 1994/95 and ferry infrastructure debt incurred up to 1998/99.

Maintaining the existing asset base, replacing aging infrastructure and meeting the needs of a changing population all require capital spending. Table 2.7 summarizes capital expenditures for 1999/00.

**Table 2.7 Government, Crown Corporations and Agencies
Major Capital Expenditures for the Fiscal Year 1999/00**

	Budget Estimate 1999/00	Actual 1999/00 ¹	Change from Budget
(\$ millions)			
Taxpayer-supported			
Capital Plan			
Education ²	468	489	21
Health.....	359	247	(112)
BC Transportation Financing Authority.....	489	478	(11)
British Columbia Ferry Corporation.....	139	121	(18)
Rapid Transit Project 2000 (<i>SkyTrain</i>).....	410	395	(15)
Other ³	87	58	(29)
Gross capital plan.....	1,952	1,788	(164)
Less: Recoverable expenditures⁴			
Hospital districts.....	(27)	(22)	5
Greater Vancouver Transportation Authority (<i>TransLink</i>).....	—	(44)	(44)
Net capital plan.....	1,925	1,722	(203)
Other taxpayer-supported			
Government operating (ministries).....	189	156	(33)
Social housing.....	25	12	(13)
Other ⁵	184	10	(174)
Total net taxpayer-supported	2,323	1,900	(423)
Self-supported commercial			
British Columbia Hydro and Power Authority.....	406	403	(3)
British Columbia Railway Company.....	154	159	5
Other ⁶	241	159	(82)
Total self-supported commercial	801	721	(80)
Total capital expenditures	3,124	2,621	(503)

¹ Amounts may vary from those reported in Crown corporation statements due to the reporting convention used for the Capital Plan.

² Represents Ministry of Education, and Ministry of Advanced Education, Training and Technology.

³ Represents British Columbia Buildings Corporation, British Columbia Transit, Ministry of Attorney General, and Ministry for Children and Families.

⁴ Represents expenditures by hospital districts on cost-shared projects, and capital spending on behalf of, and recovered from, other public sector agencies.

⁵ Budget estimate includes \$69 million for 580440 British Columbia Ltd. (Vancouver Trade and Convention Centre project). During 1999/00, \$41 million was spent and written-off following the cancellation of the project and the assumption of this debt by the provincial government.

⁶ Represents Columbia Power Corporation, Columbia Basin Trust joint ventures, 552513 British Columbia Ltd. (Skeena Cellulose Inc.), Insurance Corporation of British Columbia and the Liquor Distribution Branch.

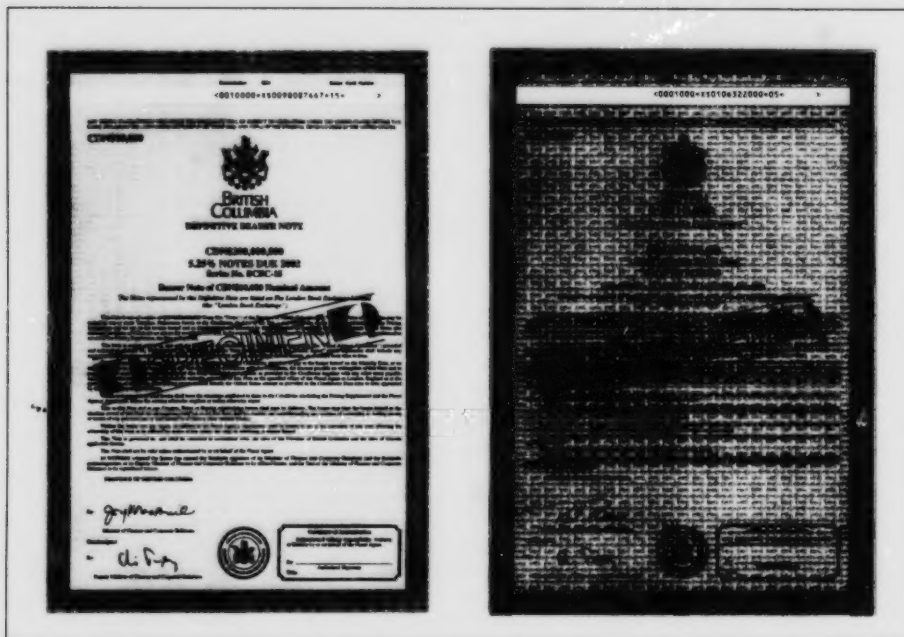
In 1999/00, \$2.6 billion was spent to finance capital projects, down \$503 million from \$3.1 billion budgeted primarily due to lower-than-planned spending for health facilities and the cancellation of the Vancouver Trade and Convention Centre project. Some of the many projects undertaken during the year are listed below.

Taxpayer-supported capital spending for education, health, justice and other related facilities included:	
New school construction	<i>Burnaby</i> — Burnaby Mountain Secondary; <i>Kelowna</i> — Westside Middle; <i>Langley</i> — Walnut Grove (Topham) Elementary; <i>Prince George</i> — Hart Highway Middle; <i>Surrey</i> — Sullivan Heights Secondary
School planning, replacement, additions and renovations	<i>Alexis Creek</i> — Alexis Creek Elementary/Secondary; <i>Armstrong</i> — Highland Park Elementary; <i>Campbell River</i> — Phoenix Elementary/Jr. Secondary; <i>Enderby</i> — A.L. Fortune Jr. Secondary; <i>Nanaimo</i> — Pauline Haarer Elementary and Cedar Jr. Secondary; <i>Penticton</i> — Snowdon Middle (Green Avenue); <i>Richmond</i> — Palmer Jr. Secondary and Matthew McNair Secondary; <i>Summerland</i> — Summerland Middle; <i>Surrey</i> — Princess Margaret Secondary phase 2 and Earl Marriot Secondary; <i>Vancouver</i> — Magee Secondary; <i>Vernon</i> — Kidston Elementary and Kalamalka Jr. Secondary; <i>Victoria</i> — Oaklands Elementary
Post-secondary planning, additions and renovations	<i>Merrit</i> — joint Nicola Valley Institute of Technology/University College of the Cariboo campus; <i>Prince Rupert</i> — Northwest Community College; <i>Vancouver</i> — chemistry laboratory (University of British Columbia); <i>Victoria</i> — Young Building (Camosun College)
Hospital and health-care facilities planning, construction, upgrading and equipment purchases	<i>Clearwater</i> — health care centre; <i>Keremeos</i> — health care centre; <i>Kitimat</i> — community health centre; <i>Lytton</i> — health care centre; <i>Port Alberni</i> — West Coast General Hospital; <i>Prince George</i> — Prince George Regional Hospital phase 1 reconstruction; <i>Smithers</i> — Bulkley Lodge; <i>Surrey</i> — Surrey Memorial Hospital and Zion Park Manor; <i>Trail</i> — ambulatory care unit; <i>Vancouver</i> — Royal Arch Masonic Home, Vancouver General Hospital radiology project, Vancouver General Hospital tower, Taylor Manor and SUCCESS Care Home; <i>Victoria</i> — Vancouver Island Cancer Clinic and Royal Jubilee Hospital
Justice facilities expansion construction	<i>Chilliwack</i> — Ford Mountain Correctional Centre; <i>Port Coquitlam</i> — North Fraser Pre-Trial Centre
Taxpayer-supported capital spending for transportation included:	
Road/bridge construction	John Hart Bridge and interchange in Prince George; Highway 1: Sumas Canal to Vedder River (Abbotsford); Highway 1: Monte Creek interchange (Kamloops); South Surrey interchange; Highway 97: Glenrosa interchange in Westbank; Highway 97: Honeymoon Creek to Bijou near McLeod Lake; Vancouver Island Highway
Road/bridge upgrading/rehabilitation	Highway 1: Cache Creek to the Rockies; Lions Gate Bridge in Vancouver; Port Mann Bridge in Coquitlam/Surrey; Nisga'a Highway in the Nass Valley; road and bridge resurfacing throughout the province
Ferries	Fast-ferry construction, ferry maintenance and terminal improvements
Rapid transit	<i>SkyTrain</i> extension construction
Capital spending of self-supported Crown corporations and agencies included:	
Rail/terminal construction	Vancouver Wharves terminal expansion including a full-service speciality agricultural products facility; rail and tie replacement and roadbed improvements throughout the province; rail equipment and purchases
Power generation	Completion of the Stave Falls power plant replacement project to meet growing demand in the Lower mainland; permanent upgrades to transmission line towers damaged by high-snowpack pressure; continued construction of a power generating facility at Keenleyside Dam; upgrades to substations, transmission lines, computers and control and communications projects

Provincial Net Debt²

The government and its Crown corporations borrow to finance their own operations (for example, when revenues fall short of meeting expenditures), to finance construction of capital projects or other investments, to refinance maturing debt and to finance working capital needs. Provincial debt is reported using two classifications:

- *Taxpayer-supported debt* includes debt for government operating and capital purposes, and debt of Crown corporations and agencies that require a subsidy from the provincial government.
- *Self-supported debt* includes debt of commercial Crown corporations and the warehouse borrowing program. Commercial Crown corporation debt is generally used to finance capital since enough revenue is earned through the sale of services at commercial rates to cover operating expenses, interest costs, and principal repayments. Warehouse borrowing is used to take advantage of market opportunities to borrow in advance of requirements. These funds are invested until they are needed by the government or its Crown corporations and agencies.



Two British Columbia Bond series issued during 1999/00

Provincial net debt totalled \$34.2 billion at March 31, 2000, or 29.9 per cent of provincial GDP (see Chart 2.7). Despite significantly-improved operating results and lower capital spending, total provincial debt was only \$501 million below plan. The change from plan reflects:

- a \$1.6-billion improvement in the summary accounts deficit; and
- \$0.5 billion less capital spending.

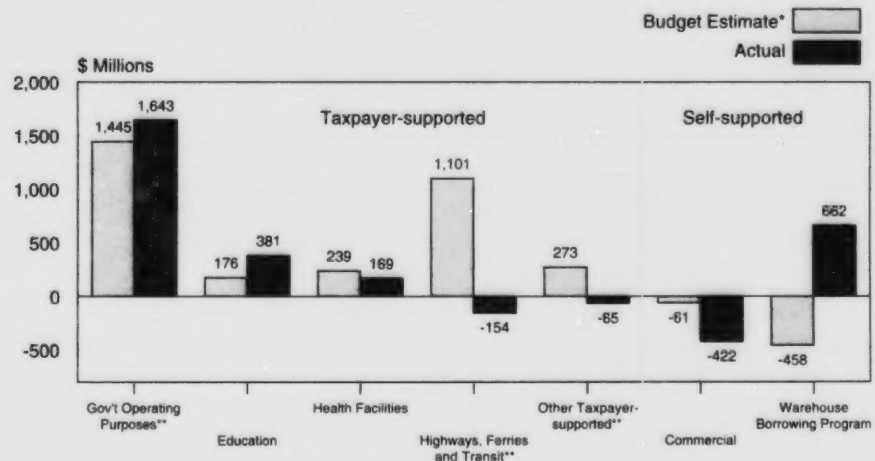
² Debt amounts are reported on a net debt basis, after deducting accumulated sinking funds set aside for debt repayment, and other accounting adjustments.

These were offset by:

- a \$0.5-billion increase in financing and working capital transactions (e.g.: due to additional non-cash pension improvements included in the summary accounts results) and higher cash balances; and
- a \$1.1-billion increase from budget for warehouse borrowing.

Chart 2.8 provides a summary of changes in provincial debt compared to budget. Reduced borrowing for most Crown corporations and agencies was partially offset by higher debt requirements for government operating purposes, school capital, and warehoused borrowing in advance of 2000/01 requirements.

Chart 2.8 Change in Total Provincial Net Debt



* Adjusted to reflect final Public Account balances at March 31, 1999.

** Effective March 31, 2000, the provincial government assumed responsibility for the fiscal agency loans of the British Columbia Ferry Corporation (\$1,080 million) and 580440 British Columbia Ltd. (Vancouver Trade and Convention Centre, \$70 million).

Taxpayer-supported Debt

At March 31, 2000, taxpayer-supported debt totalled \$24.9 billion or 21.8 per cent of GDP. Although debt rose \$2 billion from the previous year, the increase was \$1.3 billion less than planned. Debt changes include:

- *Government direct operating* debt increased \$1.6 billion from the start of the year, about \$200 million higher than planned due to the government's assumption of Crown corporation debt. The increase in debt was used to finance:
 - a CRF shortfall of \$354 million, including the cost of assuming \$1,080 million of British Columbia Ferry Corporation debt and \$70 million of debt from 580440 British Columbia Ltd. (Vancouver Trade and Convention Centre project);
 - \$478 million of net disbursements from financing and working capital transactions (e.g. loans, investments, accounts receivable/payable transactions); and
 - an \$811-million increase in cash and temporary investments.
- *Education facilities capital financing* debt increased \$381 million from the start of the year. The increase was \$205 million above budget due to a higher-than-assumed level of final debt outstanding at March 31, 1999, and a small amount of additional spending in 1999/00.
- *Health facilities capital financing* debt was up \$169 million from the start of the year. The increase was \$70 million lower than planned due to lower-than-expected spending for Year 2000 projects.
- *Highways, ferries and public transit* debt decreased \$154 million from the start of the year. Outstanding debt was \$1.3 billion lower than budgeted primarily due to the

government's assumption of \$1,080 million of British Columbia Ferry Corporation debt. Debt for road construction rose \$410 million during the year, \$27 million lower than planned while public-transit-related debt increased \$385 million from the previous year, \$111 million below plan due to lower borrowing for the *SkyTrain* extension.

- *Other taxpayer-supported debt* fell \$65 million from the start of the year. Outstanding debt was \$338 million lower than planned primarily due to the cancellation of the Vancouver Trade and Convention Centre project and the government's assumption of directly-related debt for 580440 British Columbia Ltd., and reduced borrowing requirements for the British Columbia Buildings Corporation. These were partially offset by a \$62-million investment in 577315 British Columbia Ltd. (Western Star Trucks Holding Ltd.).

Self-supported Debt

Self-supported debt totalled \$9.3 billion (8.1 per cent of GDP) at March 31, 2000. Debt at year-end was \$240 million higher than the previous year and \$759 million above plan.

- *Commercial Crown corporation and agencies debt* fell \$422 million from the start of the year. The decrease was \$361 million more than planned primarily due to a larger reduction in the debt of British Columbia Hydro and Power Authority resulting from higher revenues and favourable foreign exchange rates, and lower-than-planned debt for 552513 British Columbia Ltd. (Skeena Cellulose). This was partially offset by a \$57-million increase from budget in the debt of the British Columbia Railway Company.
- *Warehouse borrowing program debt* increased \$662 million from the previous year and was \$1.1 billion higher than originally planned as the province continued to take advantage of favourable market conditions. This advanced borrowing will be allocated to the provincial government and its Crown corporations and agencies when funding is needed. In the interim, funds will remain invested at market interest rates.

Credit Rating

A credit rating is an evaluation of a borrower's ability to pay interest and to repay principal. A credit rating affects the borrower's debt servicing costs and the investor's rate of return since an investor will demand a higher interest rate on a higher-risk, lower-rated security. Table 2.8 provides an interprovincial comparison of credit ratings.

Table 2.8 Interprovincial Comparison of Credit Ratings, July 2000

Province	Rating Agency ¹			
	Moody's Investors Service	Standard and Poor's	Dominion Bond Rating Service	Canadian Bond Rating Service
British Columbia	Aa2	AA-	AA (Low)	AA-
Alberta	Aa1	AA+	AA (High)	AA+
Saskatchewan	A2	A	A	A+
Manitoba	Aa3	AA-	A	A+
Ontario	Aa3	AA-	AA (Low)	AA
Quebec	A2	A+	A	A
New Brunswick	A1	AA-	A	A+
Nova Scotia	A3	A-	BBB (High)	A-
Prince Edward Island	A3	Not Rated	BBB (High)	BBB
Newfoundland	Baa1	A-	BBB	BBB

¹ The rating agencies assign letter ratings to borrowers. The major categories, in descending order of credit quality are: AAA/Aaa; AA/Aa; A; BBB/Baa; BB/Ba and B. The "1", "2", "3", "high", "low", "+", and "-" modifiers show relative standing within the major categories. For example, AA+ exceeds AA and Aa2 exceeds Aa3.

The ratio of taxpayer-supported debt relative to gross domestic product is a measure often used by investors and credit rating agencies when analyzing a province's ability

to manage its debt load. British Columbia's taxpayer-supported debt is one of the lowest in Canada, and this translates into a strong credit rating and lower debt service costs.

Debt Indicators

A number of financial indicators are used to help the public understand provincial borrowing and its fiscal impact. Table 2.9 provides a historical summary of financial indicators, which were recommended by the Auditor General. More comprehensive information on the debt of government and its Crown corporations and agencies is provided in the *Debt Statistics Report*. This document, which is issued concurrent with the *Public Accounts*, provides a variety of information to help readers assess the province's debt position.

Table 2.9 Key Debt Indicators¹

	For fiscal year ending March 31					2000 Budget Estimate Actual
	1996	1997	1998	1999		
Debt to revenue (per cent)						
Total provincial	97.4	97.7	98.6	102.3	113.9	101.6
Taxpayer-supported	87.0	91.3	93.4	98.6	116.9	100.6
Debt per capita (\$) ²						
Total provincial	7,588	7,533	7,618	8,006	8,582	8,506
Taxpayer-supported	5,250	5,447	5,546	5,740	6,472	6,195
Debt to GDP (per cent) ³						
Total provincial	27.3	27.1	27.1	28.8	31.7	29.9
Taxpayer-supported	18.9	19.6	19.8	20.7	23.9	21.8
Interest bite (cents per dollar of revenue) ⁴						
Total provincial	8.9	8.0	7.6	7.8	8.7	7.5
Taxpayer-supported	7.7	7.3	7.0	7.4	8.6	7.1
Interest costs (\$ millions)						
Total provincial	2,609	2,386	2,319	2,452	2,640	2,528
Taxpayer-supported	1,749	1,692	1,656	1,723	1,934	1,762
Interest rate (per cent) ⁵						
Taxpayer-supported	8.9	8.2	7.7	7.7	7.4	7.4
Background Information:						
Revenue (\$ millions)						
Total provincial ⁶	29,474	29,919	30,593	31,294	30,489	33,679
Taxpayer-supported ⁷	22,843	23,174	23,525	23,285	22,403	24,784
Total debt (\$ millions)						
Total provincial	28,713	29,243	30,168	32,007	34,722	34,221
Taxpayer-supported ⁸	19,866	21,147	21,964	22,950	26,184	24,924
Provincial GDP (\$ millions) ⁹	105,319	108,034	111,126	110,948	109,540	114,480
Population (thousands at July 1) ¹⁰	3,784	3,882	3,960	3,998	4,046	4,023

¹ Figures for prior years have been restated to conform with the presentation used for 2000.

² The ratio of debt to population (e.g. 1999/00 debt divided by population at July 1, 1999).

³ The ratio of debt outstanding at fiscal year end to provincial nominal gross domestic product (GDP) for the calendar year ending in the fiscal year (e.g. 1999/00 debt divided by 1999 GDP).

⁴ The ratio of interest costs (less sinking fund interest) to revenue. Figures include capitalized interest expense in order to provide a more comparable measure to outstanding debt.

⁵ Weighted average of all outstanding debt issues.

⁶ Includes revenue of the consolidated revenue fund plus revenue of all Crown corporations and agencies.

⁷ Excludes revenue of commercial Crown corporations and agencies.

⁸ Excludes debt of commercial Crown corporations and agencies (including non-guaranteed debt) and funds held under the province's warehouse borrowing program.

⁹ GDP for the year ending in the fiscal year (e.g. GDP for 1999 is used for the fiscal year ending March 31, 2000).

¹⁰ Population at July 1st within the fiscal year (e.g. population at July 1, 1999 is used for the fiscal year ending March 31, 2000).

Trust Funds

Trust funds are administered by the government for external parties, and are not part of the government's CRF. At March 31, 2000, trust funds totalled \$55.6 billion, up \$6.1 billion from March 31, 1999. These included:

- superannuation, pension and long-term disability funds for public-sector employees totalled \$41 billion;
- sinking funds and defeased trust funds, established for the retirement of long-term debt, totalled \$4.9 billion and \$1.3 billion respectively;
- Workers' Compensation Board investment funds totalled \$7.6 billion, and investment funds of commercial Crown corporations and agencies totalled \$232 million; and
- public trustee and official administrators trust funds totalled \$596 million while other trust funds totalled \$112 million.

Although trust funds are external to government, investment performance has implications for the long-term costs to taxpayers (such as pension contributions). Consequently, the government ensures that trust fund assets are managed to yield strong investment returns. With trustee approval, investments can be diversified into a wide range of assets including equities, real estate, mortgages and foreign securities.

Other Liabilities

The provincial Public Service Superannuation Fund is estimated to have a surplus of \$1.1 billion, based on an actuarial valuation date of March 31, 1999. This compares to a surplus of \$209 million as of the previous valuation date on March 31, 1996.

The provincial government also administers certain pension funds on behalf of third parties. The provincial shares of the estimated unfunded liability of these funds are as follows: Municipal Pension Plan (school board support staff and hospital employees) — \$208 million unfunded liability based on an actuarial valuation date of December 31, 1997; and the Teachers' Pension Plan — \$1.4 billion unfunded liability based on an actuarial valuation date of December 31, 1996.

Based on a recommendation of the provincial Auditor General, the government has changed its basis of accounting for annual surpluses and estimated changes in unfunded liabilities. Further information is provided in Appendix 2.

Other pension plans administered by the provincial government are not reflected in the government's balance sheet because the provincial government is not responsible for any surpluses or deficiencies of these plans.

Provincial Taxes

To meet its financial commitments, the provincial government has authority to collect revenue through direct taxation within provincial boundaries and to borrow on provincial credit. The 1982 amendments to the *Constitution Act, 1867* gave the provincial government additional taxing authority over natural resources, including indirect taxation.

Appendix Tables A2.25, A2.26 and A2.27 provide details on provincial tax rates, an interprovincial comparison of rates and a summary of major tax changes introduced in 2000.

Income Tax

Personal income tax — Provincial personal and corporation income taxes are collected by the federal government and remitted to the province in regular instalments under a federal/provincial tax collection agreement.

Starting with the 2000 tax year, British Columbia will apply tax rates directly to federally defined taxable income and provide a set of non-refundable credits that

reduce taxes payable. The tax rates are 8.4 per cent on income up to \$30,004, 12.4 per cent on income between \$30,004 and \$60,009, and 14.35 per cent on income in excess of \$60,009.

Calculated tax may be reduced by non-refundable credits that include the basic, spousal, age, charitable donations, medical expenses, disability, tuition and education credits. High-income earners are also required to pay a surtax of 30 per cent of provincial tax in excess of \$5,300, plus 15 per cent of provincial tax in excess of \$8,660. A two-income family of four with one spouse earning \$35,000 and the other \$20,000, and claiming major typical deductions, would pay provincial income tax equal to 5.3 per cent of total income in 2000.

Since July 1996, the government has provided a monthly BC Family Bonus benefit for low and modest income families with children. About 230,000 British Columbia families received the bonus in the first two years of the program. In July 1998, this benefit was combined with the federal National Child Benefit supplement, so that families continued to receive up to \$103 per month per child (increasing to \$105 per month per child effective July 1, 1999). In July 1998, the government introduced the BC Earned Income Benefit to provide additional help for BC Family Bonus recipients with earned income.

Corporation income tax — British Columbia's general corporate income tax rate is 16.5 per cent. Effective July 1, 2000, the small business rate was reduced to 4.75 per cent from 5.5 per cent.

Corporation Capital
Tax

The corporation capital tax is applied to adjusted paid-up capital of general corporations at a rate of 0.3 per cent. Banks, trust companies and credit unions are taxed at a rate of three per cent unless their net paid-up capital is \$1 billion or less, or they are headquartered in British Columbia, in which case a rate of one per cent applies. Certain corporations are exempt from the tax.

Social Service Tax

The general tax rate on purchases and leases of tangible personal property under the *Social Service Tax Act* is seven per cent. The tax also applies to certain services. Liquor products are taxed at ten per cent and passenger vehicles are taxed at between seven and ten per cent depending on the value of the vehicle. There are also fixed levies on purchases of lead-acid batteries and pneumatic vehicle tires to fund environmental programs, and on short-term rentals of passenger vehicles to assist with financing transportation projects undertaken by the BC Transportation Financing Authority. A portion of this tax is also collected on parking in the Vancouver transit area on behalf of the Greater Vancouver Transportation Authority.

Real Property Tax

The province, local governments and certain regional boards all levy taxes on occupiers of real property. Independent, market-value assessments are calculated annually by the British Columbia Assessment Authority. Property is divided into nine classes under the *Assessment Act*, and three assessment rolls are created with slightly different tax bases. A provincial grant to owners of a primary residence in British Columbia provides relief from residential property tax.

British Columbia levies a province-wide school tax under the *School Act*. A single rate is set for each of the eight non-residential property classes, while residential school tax rates are different in each of the province's 59 school districts. A property tax is also levied in unincorporated areas through the *Taxation (Rural Area) Act*.

Municipal governments levy property taxes under the *Municipal Act* to fund about seventy per cent of their responsibilities. Rates vary by municipality and by property class. Regional districts, hospital districts and other minor taxing jurisdictions also levy property taxes.

Other Taxes

Hotel accommodation tax — rate is eight per cent, of which 1.65 percentage points are dedicated to Tourism British Columbia, a Crown corporation that promotes development and growth of the provincial tourism industry. Municipalities, regional districts and other eligible entities may request that the provincial government levy an additional tax of up to two per cent on their behalf. Revenue from the additional tax must be used to fund tourism-related projects or to promote tourism. Additional hotel accommodation taxes are currently levied on behalf of the resort municipality of Whistler; the cities of Vancouver, Victoria, Richmond and Prince Rupert; the districts of Oak Bay, Saanich and Chilliwack; and the towns of Smithers and Parksville/Qualicum Beach.

Fuel tax — rates are 11 cents per litre for clear gasoline and 11.5 cents per litre for clear diesel. Portions of this tax are dedicated to, or collected on behalf of, the following authorities:

- *BC Transportation Financing Authority* — on April 1, 2000, the portion of clear fuel tax dedicated to the authority increased to 3.25 cents per litre from 3.0 cents per litre.
- *British Columbia Ferry Corporation* — 1.25 cents per litre of clear fuel tax are transferred to help fund the ferry system.
- *Greater Vancouver Transportation Authority (TransLink)* — four cents per litre of clear fuel tax collected in the Greater Vancouver transportation service area belong to the authority to help fund transit services in the Lower Mainland. The authority also receives an additional four cents per litre as a transit tax, formerly collected by the province on behalf of the Greater Vancouver Regional Transit Commission.
- *Victoria Regional Transit Commission* — an additional tax of 2.5 cents per litre is collected by the province on behalf of the commission to cover part of the local share of transit costs.

Tobacco tax — rate is 11 cents per cigarette and 11 cents per gram of loose tobacco.

Property transfer tax — is imposed upon application to register a transfer of an interest in real property at a land title office at a rate of one per cent on the first \$200,000 of fair market value transferred and two per cent on the balance.

Other provincial taxes, including the horse racing tax, insurance premium tax, real property tax, logging tax, mineral tax and mineral land tax, are described in Appendix Table A2.25

For information on major tax changes enacted by the legislature during the 2000 spring session, see Appendix Table A2.27.

Chapter Three

Program Review



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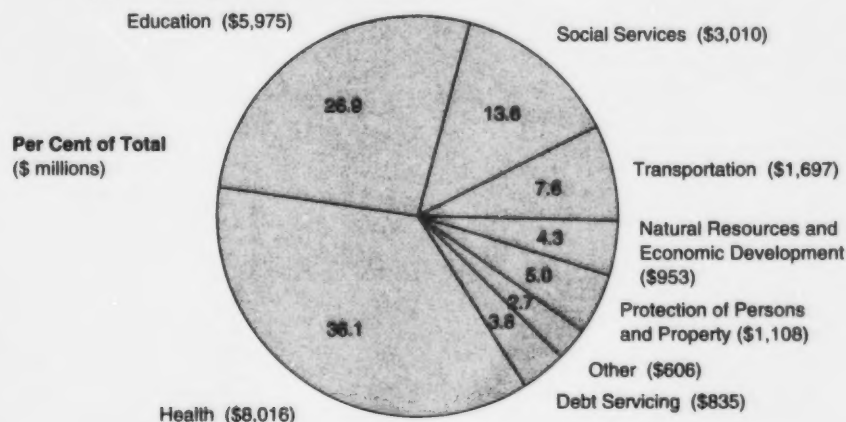


Introduction

Provincial government programs in British Columbia are delivered through ministries, Crown corporations, agencies, boards and commissions. This chapter describes a selection of the major programs and services delivered by these organizations and highlights some of the initiatives and accomplishments of the 1999/00 fiscal year. Details of government programs and services are available through ministries' and Crown corporations' websites, which are accessible through the government's main website: www.gov.bc.ca.

Below is a chart that illustrates government operating expenditures by function for the 1999/00 fiscal year. Health, social service and education programs account for over three-quarters of total operating spending.

**Chart 3.1 Expense by Function¹, 1999/00
(Consolidated Revenue Fund)**



¹ Excluding one-time expenditures of \$1,183 million, function proportions would be: health 38.2%, education 28.4%, social services 14.3%, transportation 2.9%, natural resources and economic development 4.2%, protection of persons and property 5.3%, other 2.7% and debt servicing 4.0%.

Total: \$22,200 million

Source: Ministry of Finance and Corporate Relations

The programs described in this chapter are grouped under the same functional headings:

- 3.1 Health programs
- 3.2 Social services
- 3.3 Education
- 3.4 Protection of persons and property
- 3.5 Transportation
- 3.6 Natural resources
- 3.7 Economic development
- 3.8 General government and other programs

A description of Crown corporation services completes the chapter.

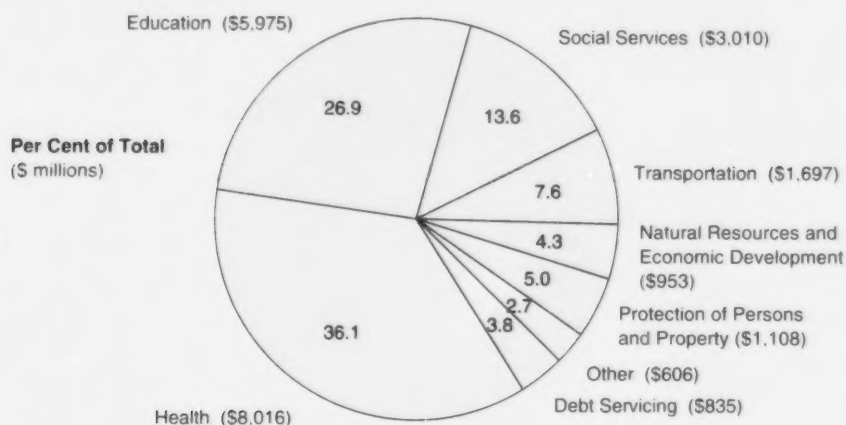
Chapter 3 Program Review

Introduction

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- 3.7 Economic development
- 3.8 General government and other programs

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3.1 Health Programs

The Ministry of Health and Ministry Responsible for Seniors funds most of the province's health programs. With a few exceptions, the role of the ministry is not to provide direct services but to fund health authorities and monitor, evaluate and support their delivery and management of health care services. Responsibility for the delivery of most health services rests with 11 regional health boards, seven community health services societies and 34 community health councils. The ministry remains responsible for the operations of the Medical Services Plan, Pharmacare, vital statistics and the ambulance service.

Spending on the province's health programs in 1999/00 was \$8 billion, over one-third of direct government spending.

Below are details of significant Ministry of Health program areas and initiatives for 1999/00.

Acute and Continuing Care

The largest health expenditure was \$4.4 billion for acute and continuing care programs and initiatives, the majority of which were delivered through health authorities.

- Acute care funding provided for the operating and equipment costs of 130 facilities throughout the province, including acute care hospitals, extended care hospitals and diagnostic and treatment centres.
- As of March 2000, there were approximately 8,500 acute and 500 rehabilitation beds in British Columbia's hospitals, providing an estimated 2.65 million "bed days" for 1999/00.
- Continuing care residential services provided residential care and support for physically and mentally infirm persons, most of whom are elderly and can no longer function independently due to chronic health-related disabilities.
- Continuing care community support services provided home support, adult day care and meals-on-wheels.
- Continuing care direct services provided home nursing care, long-term care assessment and case management, and community rehabilitation.

Initiatives in 1999/00 included:

- \$15 million for the expansion of cancer treatment services at cancer centres in Vancouver, Surrey, Kelowna and Victoria, adding 5,000 more radiotherapy and chemotherapy treatments.
- \$2.8 million to increase the number of MRI scans by more than 50 per cent.
- \$8.9 million for renal services so kidney patients can be treated closer to home.
- \$10.5 million for the screening mammography program to expand services and provide eight additional fixed service screening mammography sites across the province, bringing the total to 33.

Mental Health

In 1999/00, \$341 million was spent on adult mental health programs.

- Mental health services provide assessment, treatment and community support services for adults and seniors with serious and persistent mental illness. Inpatient services include counselling, medication management, rehabilitation, housing and family support services.
- Forensic psychiatric services provide psychiatric assessment and treatment services to individuals with apparent mental disorders who are in conflict with the law, generally in response to a court order.

Significant initiatives for the year included:

- Changes to the province's mental health legislation modified criteria for involuntary admission and treatment, established the right of involuntary patients to request a second medical opinion on their psychiatric treatment, entrenched the Canadian Charter of Rights and Freedoms into the act and added new procedural protections.
- \$5.6 million in one-time funding improved existing mental health services such as teleMental health, early intervention, and hospital-based psychiatric emergency services in rural and remote communities.
- A new mental health evaluation and community consultation unit was introduced to measure system performance, enhance psychiatric outreach services and support an improved emergency mental health response network.

Public and Preventative Health

During 1999/00, the provincial government contributed \$6.5 million to programs aimed at reducing tobacco use. The province's tobacco strategy is focused on preventing children and youth from starting to smoke.

- The *Tobacco Sales Act* was changed and tougher penalties were introduced for retailers who sell tobacco products to minors. Fines were increased and maximum suspension lengths were doubled from 12 to 24 months.
- The British Columbia Teen Tobacco Team was appointed, including eight teens from around the province who advise the Minister of Health about teen smoking and how to assist teens in quitting smoking. The advisory committee led the ministry to launch a Kick the Nic 2000 smoking cessation program for teens.

Medical Services Plan

The Medical Services Plan (MSP) provides comprehensive medical coverage as well as supplementary services of chiropractors, optometrists, physiotherapists, massage therapy practitioners, podiatrists, naturopaths and specific oral surgery procedures performed in hospitals.

MSP expenditures during 1999/00 were \$2 billion. Subscriber premiums funded 44.3 per cent of this with the balance funded from general provincial revenue. Lower income persons and families received premium assistance. Major expenditures were in the following areas:

- Fees to physicians and surgeons — \$1.8 billion including \$1.6 billion in fees for service, \$141 million for the alternate payments program and \$72 million to the physicians' education, disability, liability and pension funds, and
- Fees to supplementary benefit practitioners — \$128 million.

Pharmacare

The Pharmacare program subsidizes a variety of prescription drugs and related items, such as insulin and specific medical items for diabetics, some orthotics and prosthetics, and approved home oxygen systems. Expenditures for 1999/00 were \$569 million, an increase of almost 13 per cent from 1998/99.

Most British Columbians are eligible for compensation for 70 per cent of expenditures in excess of \$800 annually. Personal costs are limited to a maximum of \$2,000 per family per year, beyond which Pharmacare covers 100 per cent of costs. For families receiving MSP premium assistance at the time the prescription was dispensed, Pharmacare pays 100 per cent of drug costs in excess of \$600 incurred during the year.

British Columbia's seniors pay pharmacy dispensing fees to a maximum of \$200 per person per calendar year, after which Pharmacare covers all costs for eligible drugs.

Access to PharmaNet, British Columbia's community pharmacy computer network, was extended to emergency departments in the province's acute care hospitals.

**Emergency Health
Services
Commission**

The Emergency Health Services Commission provides ambulance service and pre-hospital care throughout the province. During 1999/00, 951 full-time and 2,271 part-time paramedics and dispatchers worked from 417 ambulances and 28 support vehicles based in 194 ambulance stations. There were 400,000 ground ambulance trips and 6,332 air ambulance trips.

Emergency health services expenditures totalled \$144 million in 1999/00.



During 1999/00, over 3,200 paramedics worked from 417 ambulances and 28 support vehicles.

Vital Statistics

The Vital Statistics Special Operating Agency records vital events in the lives of British Columbians and presents reports on vital statistics and population health that provide important information for health planning and research.

**Other Health
Services and
Initiatives**

New efforts were undertaken to recruit and retain nurses in British Columbia. An additional \$15 million was made available to health authorities to hire more nurses and \$4.8 million to increase the number of licensed practical nurses and care aides in continuing care facilities was also provided. As of March 2000, there were approximately 28,000 practising registered nurses in British Columbia.

HIV/AIDS programs and services received \$10 million in funding, an increase of \$750,000.

British Columbia became the first province in Canada to regulate a full range of traditional Chinese medicine therapies with the approval in principle to expand the existing College of Acupuncturists and renamed it the College of Traditional Chinese Medicine.

3.2 Social Services

Social services in British Columbia are provided by a number of ministries, primarily the Ministry of Social Development and Economic Security and the Ministry for Children and Families.

Specific services are provided to address the needs of children, youth, adults, families, people with physical or mental disabilities, seniors and individuals who misuse alcohol or drugs. Services are provided in the following areas:

- income support, training and employment services,
- support for children, families, youth, adults, seniors, disabled people, women and aboriginals,
- housing,
- other social services.

Total spending on the province's social service programs in 1999/00 was \$3 billion.

Income Support

The income support program assists eligible British Columbians 25 years of age and over who cannot provide the necessities of life for themselves and their dependants. Eligible youth between the ages of 19 and 24 can receive a youth allowance while participating in job search or education and training programs. Benefits are also provided to eligible persons with disabilities.

The number of families on income support decreased by 3,000 cases, down almost six per cent since April 1999.

Table 3.1 Income Support Caseloads as at March 31

Category	1996	1997	1998	1999	2000	Percentage Change 1999-2000
Single Men	86,746	78,142	73,273	67,560	64,736	-4.2
Single Women	41,637	38,964	38,198	36,900	36,946	0.1
Child with Relative	4,176	4,150	4,391	4,396	4,366	-0.7
Couples	8,823	8,136	7,739	7,380	6,914	-6.3
Two-Parent Families	16,253	13,090	11,552	10,119	9,065	-10.4
One-Parent Families	57,047	48,760	44,551	41,346	39,546	-4.4
Total Income Support	<u>214,682</u>	<u>191,242</u>	<u>179,704</u>	<u>167,701</u>	<u>161,573</u>	<u>-3.7</u>

Source: Ministry of Social Development and Economic Security.

BC Benefits

In 1999/00, \$1.5 billion was spent on BC Benefits.¹ The monthly caseload averaged 161,300. Including dependent spouses and children, 264,280 people were supported by BC Benefits each month. In March 2000, 6.4 per cent of British Columbians were receiving income support — the lowest percentage since 1982.

¹ This includes direct benefits/programs to participants only. Expenditures include: income assistance, disability benefits level 11, Youth Works, Hardship, Administered Assistance and Benefits, health care and dental service, Healthy Kids and Skills Development programs. Program operations expenditures are not included in this total.

BC Benefits includes these major programs:

- The Healthy Kids program — basic dental and vision care benefits for children and low-income families,
- The Youth Works programs — income support, training and job search assistance for people ages 19 to 24,
- The Welfare to Work program — income support, job search programs, work preparation and work experience or training for employable adults ages 25 to 64,
- Disability Benefits — income support, skills development, training and work experience for adults with disabilities,
- Seniors supplement — a guaranteed minimum income for senior citizens.

Additionally, the BC Family Bonus program, which is added to the National Child Benefit, provides a monthly benefit of up to \$105 for each child in low- and modest-income families. The Family Bonus goes to about 430,000 children in 230,000 families.

Emergency Social Services

The Emergency Social Services program co-ordinates 5,500 volunteer workers in 120 communities who deliver essential services to individuals and families forced from their homes during the first 72 hours of emergencies such as urban fires, floods, landslides, blizzards and gas leaks. Total direct expenditure in 1999/00 was \$0.8 million plus \$0.4 million in operation's costs.

Services for Children

The provincial government provides services that promote and protect the healthy development of children. In 1999/00, the government spent \$1.4 billion on services for children and families.

Promotion, Prevention and Early Support

The promotion, prevention and early support strategy focuses on the healthy development of infants, children, youth and their families in order to help prevent problems that would result in expensive intervention. These services include:

- public health programs,
- special needs,
- school-based support,
- services for families,
- supported child care.

Child Protection Services

The Ministry for Children and Families provides child protection services that include investigation of reports of child abuse or neglect, protective family services to children in their own homes, support and counselling services to parents. They also place children in foster care or group homes. In each of the last three years, there has been a decline in the number of children removed from homes under the *Child, Family and Community Service Act* (see Table 3.2).

**Table 3.2 Child Protection Activities
1997/98 to 1999/00**

Year	Reports	Investigations	Removals	Supervision Order Without Removal
1997/98	31,378	23,425	4,239	N/A
1998/99	33,036	24,136	4,144	N/A
1999/00	34,700	24,321	4,112	442

Source: Ministry for Children and Families.

In 1999/00, in partnership with the Capital Health Region in Victoria, the ministry created the first of four proposed regional health teams that will assess children who may have been victims of abuse or neglect.

Services for Families

Funds are provided to contracted agencies to deliver services directly to families. Services range from prevention and early support to intensive treatment and residential facilities.

Family Support

Family support programs reduced the number of children coming into the province's care, by helping families acquire skills, achieve specific goals and address factors that affect parenting abilities. Programs include a self-help group for parents, family-enhancement worker programs, family preservation programs and homemaker/home support workers.

Child Care

Child-care services are funded and delivered by the Ministry of Social Development and Economic Security. The program assists communities to improve the quality, affordability and accessibility of child care. The program subsidized child care for 38,654 children in 1999/00, up from 37,639 the previous year, at a cost of \$151 million.

Adoption

Adoption services provide permanency planning and support programs for birth parents, adopting parents, infants and children with special needs. In 1999/00, 174 children were placed for adoption.

Foster Care

Foster Care services included family care homes, foster care training and recruitment, specialized residential resources, independent living for children in care, and non-residential services. During 1999/00, a 1-800 support line offering specialized assistance outside regular office hours was introduced and a foster care education program was implemented at Camosun College in Victoria and the College of New Caledonia in Prince George. In 1999/00, \$224 million was spent on children in care.

Addiction Services

Addiction services provide a range of substance misuse services for youth, adults and seniors through a combination of government and non-government organizations. Services include out-patient care, withdrawal management and day programs, residential treatment, supportive recovery groups and school-based prevention programs. Expenditures for 1999/00 were \$47 million, of which \$9 million was provided for youth addiction services. Services were established in 14 communities and will include 75 new beds, intensive youth day treatment programming, youth-specific counselling programs and outpatient and community residential alcohol and drug treatments for youth sentenced to community supervision by the youth court.

Services for Youth

In addition to services available to both children and families, specific services are provided for youth.

In 1999/00, \$61 million was spent on youth programs, including:

- Direct services for youth with programs such as mediation services to resolve family conflicts, the Reconnect program for street youth and short-term emergency accommodation for youth at risk,
- Youth forensic psychiatric services provided programs for young offenders,
- Youth justice programs provided probation and custody services to young offenders.

Mental Health Services

In 1999/00, \$37 million was spent on mental health services to provide assessment and treatment for children and youth who were suffering from mental illness or behavioural disorders or were survivors of abuse or trauma. In addition, specialized services provided crisis response, suicide prevention counselling and sexual abuse intervention.

Suicide prevention projects in Prince Rupert, Stikine Region, Quesnel, Williams Lake, Revelstoke, Powell River and Richmond received a total of \$200,000. The Ministry for Children and Families also worked with the University of British Columbia's Suicide Prevention Information and Resource Centre to develop community-based prevention strategies.

BladeRunners

The BladeRunners program offers wage subsidies and assistance for street-involved individuals who face multiple barriers to employment, providing them with work experience and skills in the construction industry and related trades. In its sixth year, the program received \$1.2 million in funding and helped more than 100 at-risk youth gain work experience and training.

BladeRunners helped over
100 at-risk youth to gain work
experience.



Youth Options BC	Youth Options BC provided education, skills training and work experience opportunities to more than 17,000 youth. Youth Options programs received \$34 million in funding for 1999/00.
Youth Community Action	Youth Community Action provided community work experience for 1,200 youth. More than 1,000 non-profit organizations participated in the program, which gave tuition credits for approved volunteer work at a rate of \$8 an hour to a maximum of \$2,400.
Summer Student Works	Student Summer Works gave youth work experience and funds for higher education. More than \$8.9 million was spent to place 5,100 students in jobs in 1999/00. Nearly 3,700 employers participated in the program, which provided wage sharing of up to \$4 an hour.
YOU BET!	YOU BET! and Visions for the Future introduced entrepreneurship and offered training programs to 3,646 young people.
E-Team	The Environment Youth Team program linked employers with youth to work on environmental, outdoor-recreational and campsite-construction projects. Over 1,700 youth were hired for an average of 13 weeks at a cost of \$5,958 per position.
Services for Seniors	The government provided a variety of programs for senior citizens to support and enhance their independence, well-being and health. • The seniors' supplement provided a guaranteed minimum income for seniors receiving the federal government's old age security. In 1999/00, 36,572 recipients per month received the seniors' supplement, for a total of \$18 million for the year, excluding program costs. • The property tax deferment program, which allows seniors, widowed seniors and some homeowners with disabilities to defer payment of annual property taxes on their home, registered 9,775 senior homeowners and deferred taxes and interest of \$122 million. • The senior citizen counsellor program provided peer counselling, information on community services and programs, and emotional support and counselling. In 1999/00, the program supported 162 volunteer counsellors across the province. • Shelter aid for elderly renters (SAFER) provides cash assistance to persons age 60 and over who pay more than 30 per cent of their gross income in rent. In 1999/00, about 12,500 seniors qualified each month. Expenditure for the program, operated by the British Columbia Housing Management Commission, was \$20 million. • In 1999/00, 26,000 bus passes were subsidized for eligible low-income seniors and seniors with disabilities at a cost of \$10 million, excluding operational costs. • Eligible low-income seniors received subsidized housing. • Seniors received a discount of 25 per cent of the basic Autoplan car insurance. • Monday through Friday, British Columbia seniors travelled free as foot passengers on most ferry routes.

**Services for
Persons with
Disabilities**

Societies, agencies and individuals were contracted by government to provide a range of community-based training, residential and other support services for adults with developmental disabilities. These services are known as Community Living Services for Adults and are delivered through the Ministry for Children and Families. In 1999/00, \$382 million was spent on these services, which supported more than 8,100 adults.

The Office for Disability Issues provides consultation to government on policy and legislation affecting people with disabilities in the province. The office provided education about disability issues, reported on government's progress to the community of people with disabilities and acted as a catalyst for positive changes in disability legislation in many areas, including transportation, human rights, housing and health. The caseload increased 9.5 per cent over 1998/99.

**Services for
Women**

The Ministry of Women's Equality worked closely with other ministries to ensure issues relating to women's equality are reflected in government policy, legislation, services and programs. Most of the ministry's resources were allocated to programs dealing with violence against women. The ministry funded 86 transition houses, safe homes and second-stage houses that provide temporary shelter for women and children leaving abusive relationships. The ministry also funded 79 counselling programs and 37 women's centres.

Initiatives for women included:

- Live Violence Free, a 10-year, \$50-million advertising campaign with the British Columbia Association of Broadcasters to examine attitudes, behaviours and conditions that tolerate violence.
- One-time funding of \$350,000 from the Ministry of Health to support and improve services for women with mental illness. The largest portion of this money will be allocated over the next two years to a series of mental health projects managed by the British Columbia Centre of Excellence for Women's Health.
- Bursaries for women seeking training in non-traditional trade sectors. In 1999/00, the Ministry of Women's Equality gave 24 bursaries totalling \$15,500. Partnerships with the Industrial Training and Apprenticeship Commission encouraged women to seek employment in industrial trades. As a result, 20 per cent more women registered in British Columbia apprenticeship programs in 1999/00 compared to the previous year.

**Services Related to
Aboriginal People**

The province cost-shared or provided supplementary services with the federal government to aboriginal people. The Ministry of Aboriginal Affairs had the primary responsibility for fostering relationships and partnerships with aboriginal communities. This goal was primarily accomplished through treaty negotiations, loans to build or expand businesses, bursaries for continued education, grants for friendship centres and funding cultural activities, aboriginal heritage projects and language programs via the First Peoples' Cultural Foundation.

Among other initiatives:

- The Ministry for Children and Families signed phased-in delegation agreements with the Gitksan communities, the Heiltsuk Band, the Ktunaxa Kinbasket communities, the Cariboo Tribal Council in Williams Lake and the Saanich Peninsula Band to return responsibilities for child and family services.
- For the 1999/00 school year, government funding of aboriginal students averaged just over \$900 per student. Approximately 42,500 British Columbia students are aboriginal — seven per cent of the public-school population.
- School districts received about \$39 million to support aboriginal education programming at the school level.

3.3 Education

Education programs in British Columbia are funded by the ministries of Education, and Advanced Education, Training and Technology. Provincial spending for all education programs for the fiscal year 1999/00 was \$6 billion.

Public Schools

The public school system is a free, universal, secular system for all grades from kindergarten to grade 12. Education is offered at public schools or by home study, distance education and education provided in correctional or other institutions. Attendance is compulsory for children five to 16 years of age. In British Columbia's 1,800 public schools, there were 613,607 students during the 1999/00 school year.

Table 3.3 Public School Enrolment from 1989/90 to 1999/00

School Year	Enrolment			Change (per cent)
	Elementary	Secondary	Total	
1989/90	319,690	193,236	512,926	2.6
1990/91	323,272	196,686	519,958	1.4
1991/92	336,056	203,244	539,300	3.7
1992/93	342,129	212,461	554,590	2.8
1993/94	347,524	221,144	568,668	2.5
1994/95	353,760	229,021	582,781	2.5
1995/96	357,296	237,477	594,773	2.1
1996/97	359,647	247,997	607,644	2.2
1997/98	359,908	256,072	615,980	1.4
1998/99	355,320	259,138	614,458	-0.2
1999/00	355,101	258,506	613,607	-0.1

Source: Ministry of Education.

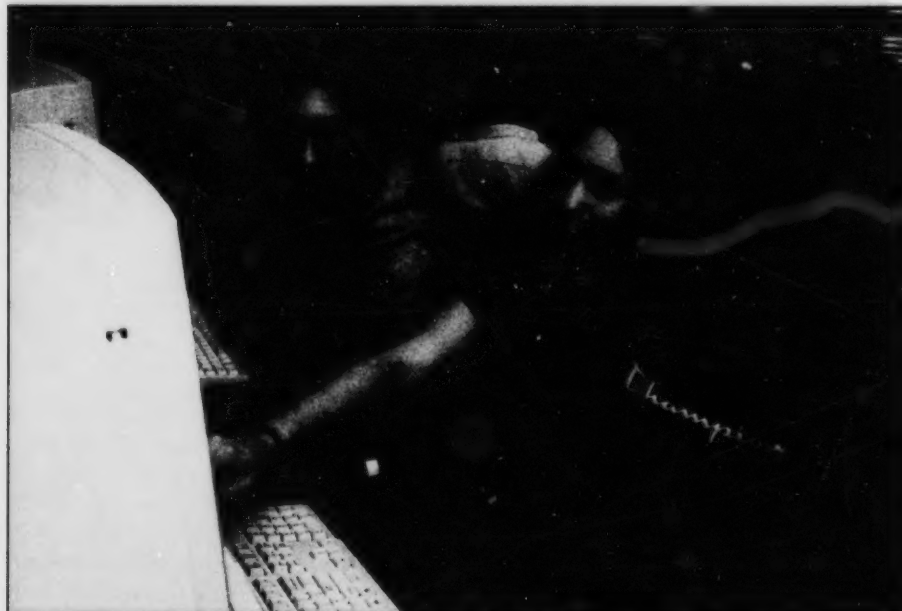
Table 3.4 Number of Public Schools in British Columbia

School Year	Number of Schools				Change (per cent)
	Elementary	Secondary	Other	Total	
1989/90	1,137	325	127	1,589	1.7
1990/91	1,143	317	156	1,616	1.7
1991/92	1,155	327	148	1,630	0.9
1992/93	1,167	331	147	1,645	0.9
1993/94	1,181	343	139	1,663	1.1
1994/95	1,181	342	151	1,674	0.7
1995/96	1,188	362	147	1,697	1.4
1996/97	1,201	337	195	1,733	2.1
1997/98	1,199	337	201	1,737	0.2
1998/99	1,195	349	232	1,776	2.2
1999/00	1,199	369	232	1,800	1.4

Source: Ministry of Education.

The public school system is comprised of 59 school districts, each with an elected board of trustees that governs under the *School Act* and the Conseil Scolaire Francophone de la Colombie-Britannique, an authority which was established in 1995 to meet the province's constitutional obligation under the Canadian Charter of Rights and Freedoms. Students may also attend independent schools, which must meet specific standards consistent with the *Independent School Act* in order to receive funding.

In 1999/00, 500 new teachers were hired. In addition, capital funding was allocated to create 28,886 new student spaces and reduce the number of portable classrooms by 566.



Over 600,000 students were enrolled in B.C.'s 1,800 public schools during 1999/00.

Safe School Centre

The Safe School Centre was developed in December 1997 to strengthen existing violence prevention programs and support the development of new ones with \$1 million in new funding. Focus on Bullying, a program launched in 1998, helps students develop skills to address conflicts in a positive, non-violent way. A "safe school network" was established with contacts in each school district, and additional materials on Internet safety, school discipline, bullying prevention and other safety issues were made available to educators, students and parents.

Secondary School Apprenticeship

The Secondary School Apprenticeship Program improves transition opportunities into apprenticeship and industry training.

Dual-credit courses allow Grade 11 and 12 students to get a head start on post-secondary studies by earning credit for approved post-secondary courses while counting these courses toward secondary-school graduation.

Special Education

In 1999/00, \$423 million was allocated for services to students with a range of special needs. Eleven per cent of the school population was enrolled in special education programs.

Post-Secondary

During the year, 2,900 new post-secondary spaces were created, bringing the total number of student spaces created in the province since 1996 to almost 16,000.

Of the 2,900 new spaces:

- 1,240 were provided to universities and 1,660 to colleges and institutes.
- 700 were allocated for high-tech programs, bringing the total of new high-tech spaces created over the past two years to 1,200.

- 150 spaces for trades training were provided to the Industry Training and Apprenticeship Commission.
- 100 spaces were provided as quick-response training spaces to be made available to communities in transition as warranted.

In the public post-secondary education system, student spaces are measured by full-time-equivalent spaces, where full-time and part-time enrolments are converted to the number of students carrying a "normal" full-time course load as defined for different program areas.

In 1999/00, the universities received funding for 60,503 full-time-equivalent student spaces and the college and institute system (made up of colleges, university colleges, institutes and the Open Learning Agency) received funding for 83,942 full-time-equivalent student spaces.

Universities

British Columbia has six publicly-funded universities: the University of British Columbia in Vancouver, Simon Fraser University in Burnaby, the University of Victoria in Victoria, the University of Northern British Columbia in Prince George, Royal Roads University in Victoria and the Technical University of British Columbia in Surrey.

Colleges, Institutes and Agencies

The province funds 11 community colleges, five university-colleges (which offer selected courses of study leading to bachelor degrees), five institutes and the Open Learning Agency. These were created to increase access to degree programs outside the Lower Mainland.

Colleges offer courses and programs that lead to certificates, diplomas and associate degrees in vocational, career/technology and trades and academic studies. They also provide upgrading programs, programs for special needs learners, programs that facilitate training and retraining for those in the workplace and continuing education courses.

Institutes provide specialized education and training that lead to certificates, diplomas and associate degrees.

Areas of specialization of British Columbia's institutes include:

- British Columbia Institute of Technology — technology and trades,
- Emily Carr Institute of Technology — art and design,
- Justice Institute of British Columbia — policing, firefighting, paramedic training, conflict resolution and other justice and public-safety-related studies,
- Institute of Indigenous Government — indigenous government studies,
- Nicola Valley Institute of Technology — studies designed to meet needs of First Nations people of the Nicola Valley.

Open Learning Agency

The Open Learning Agency helps to develop and maintain distance education and offers degree programs in general studies, arts and science, business administration and technology.

Student Financial Assistance	Students attending post-secondary institutions are eligible for a variety of financial assistance programs depending on merit and need. During the 1999/00 year, \$115 million in loans were allocated under the British Columbia student loans program and an additional \$130 million was disbursed under British Columbia's scholarship and grant programs. In 1999/00, British Columbia froze fees at public post-secondary institutions for a fourth year, giving British Columbia students the second-lowest tuition in Canada after Quebec.
Career Technical Centres	Career technical centres (CTC) provide a combined secondary and post-secondary program. CTCs are K-12/post-secondary/industry partnerships designed to give students an opportunity to receive dual credit through integrated secondary school and first-year post-secondary career-oriented programs.
Provincial Learning Network	The Provincial Learning Network (PLNet) is a telecommunications network providing support for instruction, learning and advanced forms of distance education to students and educators in 59 school districts (1,800 schools) and 22 colleges, institutes and agencies on 130 campuses. The ministries of Education, and Advanced Education, Training and Technology have committed \$123 million over six years to implement and operate the PLNet.
Skills Development	The province — in partnership with individuals, employers, unions, community organizations and other private and public partners — develops and implements workforce training for: • youth ages 19 to 24, • students in transition to the workplace, • people with disabilities, • workers who need skill upgrades or face job loss.
3.4 Protection of Persons and Property	The provincial government safeguards human rights and co-ordinates law enforcement and the justice system to ensure public safety. The Ministry of Attorney General is responsible for the administration and delivery of justice services, as well as human rights and a number of independent agencies, boards and commissions. In 1999/00, ministry expenditures totalled almost \$1 billion.
Human Rights	The British Columbia Human Rights Code establishes a structure to administer human rights in a number of areas: the British Columbia Human Rights Commission, which investigates and mediates human rights complaints; the British Columbia Human Rights Tribunal, which adjudicates cases referred by the commission; and the Human Rights Advisory Council, a volunteer citizen board, which provides advice to the Attorney General and the commission on human rights.
Court Services	There are 99 court locations in British Columbia, of which 70 are permanently staffed. Of the 99, the Supreme Court sits in 31 facilities and the Appeal Court sits in five. Another 10 act as Supreme Court filing registries. The Court Services Branch operated in 1999/00 with expenditures of more than \$128 million.

Criminal Justice	The Criminal Justice Branch contributes to the protection of society by preparing for and conducting prosecutions. The branch is responsible for prosecutions under the Criminal Code of Canada, the Young Offenders Act and provincial statutes in the trial and appeal courts of British Columbia and the Supreme Court of Canada. The branch also provides direct services to victims and witnesses throughout the court process.
Community Justice	The Community Justice Branch works in partnership with diverse communities to ensure British Columbians have access to justice and consumer services. They provide services in the areas of crime prevention, family justice, community safety and assistance to victims.
Crime Prevention	The Community Crime Prevention program works in partnership with youth, communities, police, schools and businesses to develop and implement crime prevention programs that promote community safety.
Youth Services	The Attorney General is involved in many youth programs including: • BC Safe School Centre, • BC Youth Police Network, • community action teams for preventing the sexual exploitation of children and youth, • grant funding for community safety initiatives, • operational funding for community justice organizations, • the Safe Schools and Safe Communities initiative, • Youth Against Violence line, • Youth Action Teams.
Family Services	The Family Justice Programs Division is responsible for the following programs: • The Family Maintenance Enforcement Program, which enrolls, monitors and enforces maintenance orders and registers agreements that require individuals to provide continuing financial support to their families. The provincial government delegates powers under the <i>Family Maintenance Enforcement Act</i> to a contracted organization operating the program. • The Reciprocity Program, which has a statutory responsibility in cases crossing jurisdictional boundaries to designate courts within British Columbia and transmit documents to reciprocating jurisdictions for purposes of confirming, varying and enforcing maintenance orders and agreements. • The Family Search Program, which searches for missing individuals to obtain and enforce custody, access, guardianship and maintenance orders. • The Debtor Assistance Program, which provides direct service to individuals and families experiencing financial difficulties. Services include counselling, information about debtor and creditor rights, remedies and obligations, mediation of disputes, and court reports.
Victim Services	The Victim Services Division helps victims of crime and people who have been affected by crime in their communities. There are 128 programs operating through community agencies and local police forces to provide information about the justice system, practical assistance, emotional support and referrals to supporting agencies.

**Children's
Commission**

The Children's Commission reviews all child deaths in the province to determine if the child received adequate services. The commission also examines public health and policy matters.

Law Enforcement

The Ministry of Attorney General is responsible for law enforcement, including police services, correctional facilities and a variety of regulatory inspections.

Police Services

The Police Services Division oversees the financing and organization of the provincial police force through the contracted services of the Royal Canadian Mounted Police (RCMP), as well as agreements with the RCMP for municipal policing. The division also develops and co-ordinates policing policy with both the RCMP and independent municipal police departments. Spending \$140 million in 1999/2000, the Police Services Division also administers police and law enforcement programs, including:

- special provincial constable programs,
- designated policing and law enforcement units,
- First Nations policing,
- protection of witnesses,
- auxiliary/reserve constables,
- training of municipal constables through contributions to the Justice Institute of British Columbia,
- appointment, training and ongoing support of police board members, policing standards and auditing police departments and other law enforcement units,
- traffic safety programs including photo radar, intersection safety camera, CounterAttack, speed enforcement and auto crime prevention.



The Police Services Division oversees the financing and organization of police operations.

Corrections

The Corrections Branch promotes public safety and provides opportunities for offenders to change and assists families in conflict resolution. Corrections staff include administrative support workers, probation officers, correctional officers and family justice counsellors. The branch delivers provincial correctional programs and family justice services through the following divisions:

- The Adult Custody Division operates seven secure custody centres, two medium security centres, eight specialized custody centres and two community correctional centres to house those remanded to custody while awaiting trial.

Burnaby Correctional Centre for Women houses women sentenced in British Columbia to provincial or federal custody. Women who would otherwise be in federal custody (a sentence over two years) are accommodated through an exchange of services agreement with Correctional Services Canada.

During 1999/00, the average daily adult custodial count rose by 0.8 per cent to 2,288 (including electronic monitoring and not including immigration detention). The most significant growth was experienced in the number of persons remanded to custody. The average remand count increased 8.5 per cent, to 821 from 757 in 1998/99.

- The Community Corrections Division operates 63 probation offices in communities throughout the province. Probation officers assess and supervise accused adult offenders to ensure compliance with conditions imposed by the courts and provincial releasing authorities. On average, the division supervises approximately 21,000 offenders per day. The 1999/00 expenditures for the division were \$37 million.
- The Family Justice Division operates centres in 31 communities throughout the province. Counsellors assist families experiencing a separation and needing to resolve child custody, access and spousal maintenance problems. The division provides dispute resolution services and custody and access reports, primarily for families of modest means. Parenting-after-separation programs are delivered province-wide and are available at no cost to all separating parents.
- The Victim Notification Unit ensures victims and protected parties identified in the central registry of protection orders are notified of offender releases from both provincial and federal correctional centres in British Columbia.

Parole

Under the federal *Corrections and Release Act* and the provincial *Parole Act*, the Board of Parole considers applications for conditional release from incarcerated adult offenders and renders decisions on those applications.

Public Safety

The Public Safety and Regulatory Branch ensures that the province's public police forces and other security-related agencies provide adequate and effective services. The branch also:

- plans and co-ordinates provincial responses to major emergencies and disasters,
- audits and inspects gaming activities,
- regulates films and videos in British Columbia,
- investigates all reported deaths in order to determine, for each case, the identity of the deceased and the facts as to how, when, where and by what means the deceased came to his or her death,
- ensures justice agencies have ready access to information on individuals who are the subject of protection orders,
- implements the *Federal Firearms Act*, including licensing all firearm owners, businesses and museums and investigating and screening applicants for licenses to own, transport or carry firearms.

Organized Crime

The Public Safety and Regulatory Branch provides a contribution to the Organized Crime Agency of British Columbia, an independent, province-wide, police-based agency to fight organized crime.

**Provincial
Emergency
Program**

In co-operation with other ministries, agencies and Crown corporations, the Provincial Emergency Program (PEP) co-ordinates provincial government emergency preparedness, response and recovery activities to mitigate suffering and property loss caused by emergencies and disasters. PEP was responsible for the management of any emergency that could have resulted from a Y2K technology failure, both inside and outside government. PEP activities included assistance to local authorities in addressing their contingency planning requirements.

Film Classification

The film classification office regulates the public exhibition, rental and distribution of films and videos in British Columbia. All films shown publicly and adult videos sold or rented through video rental outlets must be viewed and classified by the office.

Gaming

Legalized gaming in British Columbia includes lotteries, horse racing, casinos, bingos, ticket raffles, social event gaming and gaming at fairs and exhibitions. The gaming industry operates under the authority and direction of the minister responsible for gaming, through the Gaming Policy Secretariat, the British Columbia Lottery Corporation, the British Columbia Gaming Commission and the British Columbia Racing Commission. The Gaming Audit and Investigation Office ensures that gaming in British Columbia is conducted fairly and free from criminal and corruptive elements.

**3.5
Transportation**

The Ministry of Transportation and Highways and a number of Crown corporations promote safe and efficient movement of people and resources around the province on highways, public transit, ferries and trains.

**Highway
Maintenance**

The province contracts with the private sector for road maintenance. The value of private-sector road-maintenance contracts in 1999/00 was \$309 million.



Over \$300 million was allocated towards road maintenance in 1999/00.

Map 3.1 Provincial Transportation Network

Source: Ministry of Transportation and Highways

Traffic Management

The Ministry of Transportation and Highways and the BC Transportation Financing Authority developed a pilot traffic management program to improve the flow of traffic, increase reliability and cut accident rates on the Trans-Canada Highway in the Lower Mainland.

Inland Ferries

British Columbia's 16 fresh water ferry routes, operated by the Ministry of Transportation and Highways, provide an integral link in the province's transportation network and, with the exception of the Shuswap Ferry, are free of charge to users.

The freshwater fleet consists of five licensed vessels, six reaction ferries (for use on rivers with strong currents), four aerial ferries (for winter use) and five cable ferries, as well as tugboats and barges. Their fleet carried more than 3.2 million passengers and 1.6 million vehicles in 1999/00.

Kootenay Lake Ferry Project

In 1999, construction began on the Osprey 2000, a \$23-million vessel that will carry up to 80 cars and 250 passengers on Kootenay Lake. The ferry was commissioned in July 2000.

3.6 Natural Resources

Managing, developing, protecting and conserving natural resources is the responsibility of a number of provincial ministries (including the ministries of Agriculture, Food and Fisheries; Environment, Lands and Parks; Energy and Mines; and Forests) and dedicated offices and Crown corporations, such as the Environmental Assessment Office, Green Economy Secretariat, Forests Renewal BC and Fisheries Renewal BC. The provincial government encourages efficient, sustainable and environmentally-sensitive management of the province's natural resources — forests, minerals, oil and gas, hydroelectricity and water resources, agricultural land, parks, wildlife and fisheries — to ensure the long-term economic prosperity of the province.

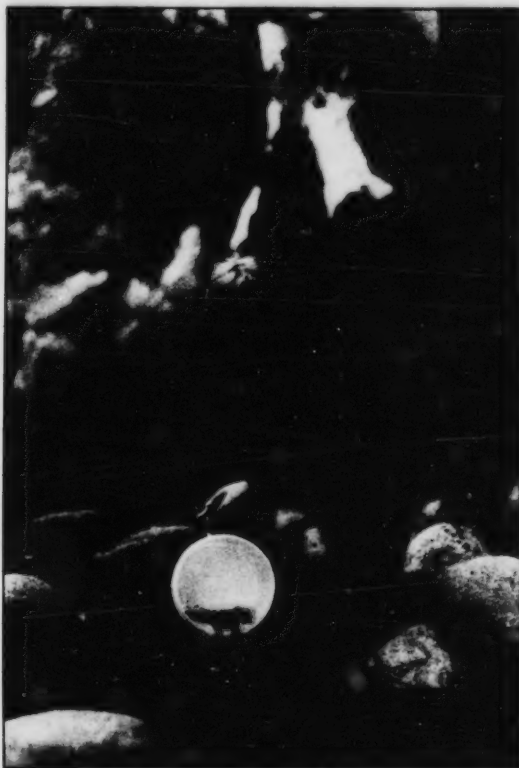
Crown Land

More than 90 per cent of the province's total area of 94.7 million hectares is Crown land. Crown land is available to promote economic growth, regional development and to protect the environment. Land tenures include leases and licences that provide access for a variety of purposes including farming, agriculture/aquaculture, grazing, communication sites, ski hills, commercial and industrial uses, and recreational and residential accommodation. Including leases, licences, rights of way and land reserves, there are approximately 30,000 tenures on 19.2 million hectares of Crown land.

Protection of British Columbia's Ecosystems and Landscapes, Fish and Wildlife

In 1999/00, the provincial government contributed \$900,000 to a new Muskwa-Kechika Research Program at the University of Northern British Columbia. The four-year program will co-ordinate research on wilderness management and develop strategies for sustainable resource management. It will also create a Muskwa-Kechika endowment fund to provide resources for long-term research and wilderness management.

In 1999/00, the provincial government provided approximately \$2 million in funding for 35 conservation projects in the Muskwa-Kechika area of the Northern Rockies, under the Muskwa-Kechika Trust Fund.



BC Hydro and the Ministry of Environment, Lands and Parks co-operatively raise rainbow trout for release into the Buntzen Lake Reservoir.

Protected areas are an important component of land use, contributing to the maintenance of ecosystems, species and genetic resources as well as supplying outdoor recreation opportunities.

There are 75 species of vertebrates in British Columbia that are threatened or endangered. Agriculture, urban development and the conversion of old-growth forests to managed forest stands pose the three most significant threats to endangered animals.

**Protection of
Healthy and Safe
Land, Water and Air**

The province is dedicated to ensuring clean, healthy and safe land, water and air by anticipating, avoiding, reducing or eliminating toxic wastes reaching the environment.

AirCare

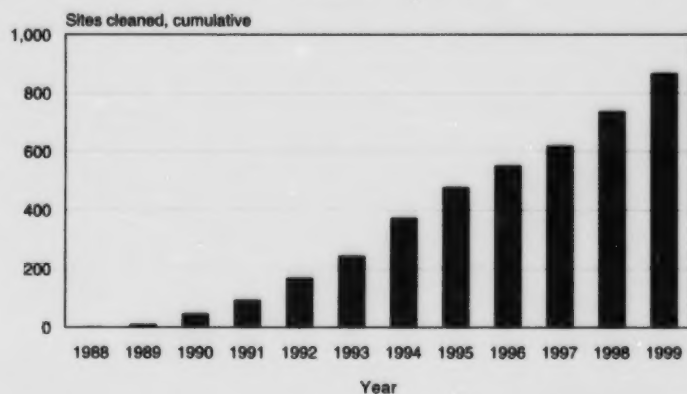
To complement the AirCare emission testing program, which currently tests one million vehicles annually, mandatory emissions testing under the AirCare On-Road program was launched to target smoke-emitting heavy vehicles in the Lower Mainland. In 1999/00, 988 heavy vehicles were tested. Of those, 415 passed, 573 failed and, of the latter, 383 were retested and successfully passed.

BC Parks

BC Parks is responsible for designing, managing and conserving a system of provincial parks, ecological reserves, recreation areas and protected areas located throughout the province. BC Parks manages approximately 12,300 campsites, 125 boat launch sites, 452 day use areas and 2,897 kilometres of hiking trails. The 1999/00 budget was approximately \$40 million.

Contaminated Sites

Between 1988 and 1999, 5,122 potentially contaminated sites were identified and 867 were cleaned up.

Chart 3.2 Contaminated Sites Cleaned, Cumulative

Source: Environmental Trends, British Columbia 2000
Ministry of Environment, Lands and Parks.

Domestic Waste Reduction

In 1998/99, a new beverage container deposit/refund system was initiated to cut down on waste. It now includes all ready-to-drink juice containers. Since 1990 there has been a 36 per cent reduction in the per capita amount of municipal solid waste going to landfills or incinerators.

Flood Protection

To reduce the risk of harm to the environment and to people and property from natural disasters, the province provided \$2.8 million to 37 projects in 1999/00 for long-term flood protection for communities throughout British Columbia. These projects involve either specific works on dikes, bank protection, forecasting measures or support studies for new works. The projects eligible for flood protection assistance include:

- major repair, rehabilitation and upgrading of existing permanent flood and erosion protection works,
- new works to protect existing development,
- studies to examine flood and erosion protection options,
- studies in support of flood plain management planning and bylaws,
- studies and equipment for flood warning systems, including forecasting,
- removal of hazardous abandoned flood protection works.

Green Economy

The Green Economy Initiative is the government's long-term strategy to help British Columbia's businesses succeed in today's greener global economy, support British Columbia communities in their transition towards a more sustainable economy and a cleaner environment, and motivate British Columbians to incorporate environmental values into their daily lives. It includes:

- Green Buildings BC, a program to reduce the environmental impact of new and existing public buildings and foster growth in British Columbia's environmental industry.
- Environmental tax shifting, which involves shifting taxes from productive activities that society wants to encourage, such as employment and investment, and toward activities that waste natural resources or cause pollution. In November 1999, the province released a background paper to lead a public discussion of environmental tax shifting, and it is looking at options for tax shifting pilot projects.

- A provincial ecotourism strategy that will help local communities diversify their economies, protect natural habitats and biodiversity, and enhance outdoor recreational opportunities.
- \$300,000 in seed money toward the establishment of Ethanol BC, a partnership between the forest and petroleum industries that will promote research on alternative uses for wood residue, including production of ethanol which is a substitute for gasoline.

Water and Sewer

In 1999/00, over 100 communities received funding from the Ministry of Municipal Affairs through its \$50-million water and sewer infrastructure grant program.

Environmental Assessment Office

The Environmental Assessment Office (EAO) is a provincial agency that co-ordinates assessment of the environmental, economic, cultural, social, heritage and health impacts of major development proposals in British Columbia. The EAO reviews mining, tourism, energy, transportation, industrial waste, food processing and water management projects.

In 1999/00, the EAO reviewed projects in the following areas:

- Burns Bog ecosystem
- Cariboo goldmine
- Cascade heritage park
- Melvin Creek/Cayoosh ski resort
- Garibaldi at Squamish ski resort
- Jumbo Glacier alpine resort
- Prosperity gold/copper mine
- Silver Tip mine
- Southern crossing gas pipeline
- Telkwa coal mine
- Tom Mackay Lake/Eskay mine
- Port Alberni cogeneration plant
- Maxhamish
- Greenville-Kincolith road
- Pingsten Creek hydroelectric project

Land Use Coordination Office

The Land Use Coordination Office (LUCO) coordinates all inter-ministry land-use planning initiatives, and sets the government's direction on land-use strategies. This includes coordination of B.C.'s protected areas strategy, a provincial land-use planning process that was established in 1992 to protect representative examples of the natural diversity of the province, as well as cultural, heritage and recreational features. The goal of this strategy is to protect 12 per cent of the province by the end of 2000. As of March 31, 2000, total protected areas represent 11.4 per cent of the province for a total of 10.8 million hectares.

Forest Management

The government has a higher degree of responsibility for forest management than most other jurisdictions in the world because it owns more than 90 per cent of the province's land. Over 46 million hectares of Crown land are productive forest land and of this, 22.8 million hectares are considered commercially available for harvest.

The Ministry of Forests is the steward of the timber, range and recreation resources of British Columbia's unreserved public (Crown) forest land, which covers two-thirds of the province (about 59 million hectares). The ministry manages this land for many uses, including:

- outdoor recreation,
- production of forage,
- production and harvesting of timber,
- protection of wilderness areas, and
- grazing of livestock.

The Ministry co-operates with other agencies to manage for biodiversity, water, fish and wildlife habitat, tourism, heritage values, energy and minerals.

The Ministry of Forests is also responsible for setting the price of Crown timber and for collecting timber-related revenues.

Forest Protection and Fire Suppression

The 1999 fire season was one of the quietest of the decade. Spring and summer conditions were unseasonably damp and cool for most regions of the province, reducing the risk of fires. During the fire season, 1,214 fires damaged less than 11,900 hectares and cost approximately \$21 million to suppress. During 1998 — one of the worst fire seasons ever — fire fighters battled over 2,663 fires that damaged close to 78,000 hectares and cost approximately \$150 million to extinguish.

Reforestation and Silviculture

Reforestation and provincial silviculture activities include monitoring standards for reforestation on Crown and regulated private forest lands; reforesting certain types of denuded Crown forest land with commercially valuable trees; improving the value and productivity of the provincial forest resource; and providing tree seeds and seedlings.

Small Business Forest Enterprise

The Small Business Forest Enterprise Program (SBFEP) sells Crown timber to individuals and small firms. The Ministry of Forests, which manages SBFEP, constructs access roads and bridges to develop future sales and undertakes silviculture and other forest management activities in SBFEP areas.

In 1999/00, SBFEP sold more than 11 million cubic metres of Crown timber. During the year, 2,559 independent firms and individuals were registered in the program, 2,120 of which were loggers and 439 timber processors. The timber processors included independent primary sawmills, shake and shingle plants, lumber manufacturers and specialty wood product producers.

SBFEP collected \$270 million in revenue from timber sales and had program expenditures of \$126 million for road construction, reforesting land, measuring and protecting the timber resource and assisting in planning forest management activities.

Mineral and Energy Resource Management

Mining

The Ministry of Energy and Mines regulates energy and mineral industries to ensure British Columbians receive maximum benefits from these resources.

In 1999/00, the province continued working on a series of initiatives to support the mining industry. A mining advocate was appointed to attract investments and help create jobs in the mining sector.

To assist Highland Valley Copper deal with declining copper prices on the world market, the province agreed to help the company lower its operating costs by basing the price of power on the price of copper, effectively providing lower power rates.

The British Columbia Prospector's Assistance program, which supports grassroots exploration for new mineral deposits, provided grants ranging from \$4,767 to \$10,000 to 51 prospectors to defray the costs of new mineral exploration.

Oil and Natural Gas

The British Columbia oil and gas industry generates approximately \$2 billion in economic activity every year. A record 650 oil and gas wells were drilled and 25 billion cubic metres of gas, the highest number in British Columbia's history, were produced.

The government is contributing more than \$100 million over six years to upgrade the roads in the northeastern section of the province and \$1.56 million over two years to develop a wildlife inventory. It will also begin to prepare pre-tenure plans to support environmentally responsible development in the Muskwa-Kechika special management zones. A further \$750,000 over five years will establish an archaeological database that will help streamline requirements before a permit is issued. These measures are designed to stimulate oil and gas investment in British Columbia.

Columbia River Treaty

The Columbia River Treaty between Canada and the U.S. required that three dams — Duncan, Keenleyside and Mica — be built in British Columbia to control floods and increase hydroelectric power generating potential in both countries. Canada's half of the extra power produced in the U.S. as a result of the treaty, called "downstream benefits," was sold to a group of U.S. utilities for 30-year periods beginning with the scheduled completion of each of the three treaty dams in British Columbia.

This share, known as the "Canadian Entitlement," is owned by British Columbia. In 1998, nine per cent of the power entitlement was returned to British Columbia with the 30th anniversary of the scheduled completion of the Duncan Dam. In 1999, 46 per cent was returned with the 30th anniversary of Keenleyside's scheduled completion and in 2003, the remaining 45 per cent will be returned on Mica's anniversary.

In February 2000, the Canadian and U.S. operating entities under the Columbia River Treaty signed the Libby Coordination Agreement (LCA). The LCA, while in effect, settles the dispute between Canada and the U.S. over the latter's unilateral change to the operation of the Libby project for non-power requirements. This dispute began in 1995 when the U.S. entity began operating the Libby project for local sturgeon spawning and for salmon migration on the Lower Columbia River, in response to requirements under the *U.S. Endangered Species Act*. These changes resulted in generation losses at downstream British Columbia Kootenay River plants and had recreation and environmental impacts in British Columbia. The LCA enables the Canadian entity to offset past and expected future power losses with no significant cost to the U.S. and includes provisions that help mitigate Canadian fish and recreation impacts.

Through the *Power for Jobs Development Act*, the province makes the downstream power benefits available to industries to create and preserve jobs in British Columbia. As of March 31, 2000, six Orders in Council have been issued for Power for Jobs agreements. Four agreements resulted from a December 1997 request for proposals, and two are companies for which development power rates have been included in economic plans under the Job Protection Commission. Negotiations and discussions are ongoing with several other firms in the mining, manufacturing and high-tech sectors. Total new or maintained jobs from these agreements are estimated to exceed 1,500 over the next 10 years.

Agriculture and Food Programs

The Ministry of Agriculture, Food and Fisheries administers programs that provide economic opportunities to producers and processors of agricultural products to invest, diversify and market products. The programs emphasize farm income and price stability, productivity improvement and resource management.

Feeder Association Loan Guarantee Program

The Feeder Associations Loan Guarantee Program encourages the rearing of British Columbia cattle and sheep within the province instead of exporting them to feedlots outside of British Columbia. The province guarantees repayment of 25 per cent of outstanding loans. In 1999/00, 14 co-operative associations purchased 27,041 animals valued at \$10.3 million under the program.

Commodity Development Trusts

The province monitors 10 commodity development trusts administered by the industry. As of March 31, 2000, these trusts have committed in excess of \$4.1 million to fund research, technology development and transfer, market development, environmental management and training initiatives. As of March 31, 2000, assets of the trusts totalled \$16.5 million. In September 1999, the province announced a \$2 million trust for the tree fruit industry.

Grazing Enhancement Fund

The Grazing Enhancement Fund is a provincial land use planning initiative to enhance the long-term economic and environmental sustainability of grazing resources in British Columbia. It funds projects designed to ensure that ranchers and range users achieve balanced access to provincial land resources with other users. In 1999/00, \$2.5 million was appropriated for this program.

Quality Wine and Grape Development Fund

The Quality Wine and Grape Development Fund is a six-year, cost-shared \$3-million industry development fund. The fund provided \$200,000 during the spring of 1999/00 for marketing, promotion, research and industry development initiatives.

BC Investment Agricultural Foundation

The BC Investment Agriculture Foundation funds initiatives that foster increased long-term growth, employment and competitiveness in the province's agriculture, food and associated industries. Over the past three years, the foundation approved 135 projects with a total commitment of \$7.7 million. These projects in the areas of research, specialized technical services, skills and knowledge, and information and awareness building total \$30 million.

Income and Price Stabilization

The Crop Insurance program insures farmers against the effects of crop losses due to uncontrollable natural hazards.

The program protects more than 2,500 farmers in British Columbia with more than \$230 million in insurance coverage on 31 of the major crops valued at greater than \$350 million. In 1999/00, insurance premiums paid by the federal and provincial governments totalled \$14.36 million, while \$5.3 million was paid in indemnities.

The Net Income Stabilization Account (NISA) program helps farmers save some of their income during good years and draw against it at a later date when the farm experiences losses due to reduced market returns or increased production costs. The provincial and federal governments contributed \$7.8 million in 1999/00, of which the province's basic share was \$2.6 million. In addition, the province split the cost of a three-per-cent interest bonus on producer NISA balances; this brought the province's total contribution closer to its \$3 million budget.

The Whole Farm Insurance program is a voluntary program for British Columbia farmers designed to alleviate extreme income reductions that are beyond the farmer's control. In 1999/00, this program paid \$16.8 million to 714 farmers throughout the province.

Buy BC Program	The Buy BC program increases the recognition and use of British Columbia food, beverage and agricultural products among producers, processors, distributors, food service operators, retailers and consumers within British Columbia. The program focuses on provincial product identification, increasing consumer awareness and building preferences for provincial products. In 1999/00, \$1.6 million was spent on market promotion.
BC Marketing Board	The BC Marketing Board (BCMB) is responsible for the supervision of 11 agricultural marketing boards. This independent administrative tribunal also hears appeals from persons aggrieved by an action of a marketing board. In 1999/00, the BCMB carried out an extensive supervisory review of the chicken industry. The board began working with agencies across Canada to revise federal/provincial agreements and improve the operation of the four supply-managed poultry sectors. The board also administered 20 appeals. Its annual budget is \$725,000.
Farm Practices Board	The Farm Practices Board, established under the <i>Farm Protection (Right to Farm) Act</i> as part of the Ministries Strengthening Farming Program, hears complaints from people aggrieved by farming practices. The board's 1999/00 budget was \$170,000.
Land Reserve Commission	The Land Reserve Commission (LRC) is an independent provincial agency dedicated to protecting the scarce supply of agricultural land, which is important to the current and future needs of British Columbia. The commission is also dedicated to preserving the integrity of the provincial commercial forest land base, to provide economic, environmental and social benefits to all B.C. communities. The LRC reports to cabinet through the Minister of Agriculture, Food and Fisheries and the Minister of Forests. The commission regulates land use in the Agricultural Land Reserve (ALR) and the Forest Land Reserve (FLR). The ALR includes over 4.7 million hectares of land — about five per cent of British Columbia's total land area. In conjunction with local authorities, the Commission is responsible for administering and enforcing the <i>Soil Conservation Act</i>, which regulates soil removal and soil deposition in the ALR. The LRC also administers and enforces the private forest land practices regulation for private land within the FLR and privately managed forest land within the province. The FLR includes approximately 15 million hectares of Crown land and 923,800 hectares of private land. The commission also assists in planning processes, such as the development of community land-use plans and by-laws, transportation and utility corridor proposals, regional growth strategies and land resource management plans. The commission also participates in the provincial government's Strengthening Farming and Right to Farm initiatives.

**Fisheries
Programs**

There are more than 80 commercially harvested and farmed species of finfish, shellfish and plants.

In 1999/00, the government committed \$920,000 to BC Fisheries and the Ministry of Environment, Lands and Parks' urban salmon habitat program for 55 local government and community stewardship projects to protect and restore urban salmon habitats.

**3.7 Economic
Development**

The provincial government supports trade and fosters economic growth and diversification through programs that provide information and advice to small businesses, encourage entrepreneurship and co-operative developments, enhance scientific and technological capacity and increase British Columbia's competitiveness in domestic and international markets.

**Trade and
Development**

The British Columbia government strives to promote trade and investment through a number of activities, including education and training investments, regulatory streamlining and tax incentives. Many of these efforts are detailed throughout this report.

**Assisting
British Columbia's
Businesses**

In 1999/00, the government provided assistance to several firms' projects and investments. The Ministry of Employment and Investment completed the following initiatives:

- negotiated a \$85-million, 10-year financing package with Western Star Trucks to assist in the establishment of a new truck manufacturing plant and industrial park to create up to 2,200 directly related jobs,
- advanced \$8.6 million in provincial funding and participated in the project steering committee for the Ballard Power Systems project to commercialize fuel cells for buses,
- negotiated and finalized Industrial Incentive Fund financial participation totalling \$66.7 million,
- negotiated and finalized new loan guarantees totalling \$50.8 million.

**Business
Immigration**

The Ministry of Employment and Investment manages business immigration programs for entrepreneurs and investors, to encourage and assist qualified business immigrants to resettle permanently in British Columbia. Over 1,000 people attended information seminars in 1999/00. In addition, the ministry joined Citizenship and Immigration Canada in introducing a pilot program to attract business immigrants and encourage them to visit the province.

During the last 10 years, more than 16,000 business immigrants and their families have made British Columbia their home, including 3,964 in 1999 alone. Last year's figure represented 30.9 per cent of the Canadian total. On average, each entrepreneur brings \$100,000 in investment to the province and helps create three new jobs.

**Cooperative
Development**

The Ministry of Community Development, Cooperatives and Volunteers administers the Co-op Advantage, a program created to support the growth and development of co-ops that create sustainable jobs, strengthen and diversify the economy and enhance community services. The \$2.5 million program includes:

- Partners in Co-operatives, a development fund that helps co-ops with business planning, start-up and expansion,

- innovation and demonstration projects, which provide funding to support new co-operative models that meet community economic diversification and social needs,
- sector development, which includes funding to conduct community information sessions and research and to increase the capacity of the co-op sector.

A total of 29 Co-op Advantage projects received \$736,000 between the program's December 1999 start-up date and March 31, 2000.

Community Enterprise

The Ministry of Community Development, Cooperatives and Volunteers administers a \$10-million program to help communities implement local economic development. The enterprise includes two components. The first, business development, matches community contributions of up to \$100,000 to create jobs. The second component, community capacity building, provides contributions up to \$50,000 to the voluntary sector for projects that create jobs for marginalized individuals. The program was launched in September 1999 and by March 31, 2000, 82 applications were approved for a total of over \$3.4 million to be dispersed over two years.

Equity Financing

The Equity Capital, Employee Share Ownership programs and the Working Opportunity Fund support the development of small business by addressing the difficulties faced by business in getting financing for start-up or expansion. These programs encourage equity or risk capital investment by British Columbia residents in small to medium-sized businesses.



Equity financing programs encourage investment in B.C. business.

First Citizens' Fund

Administered by the Ministry of Aboriginal Affairs, the First Citizens' Fund promotes the establishment and expansion of aboriginal businesses through its Business Loan Program. In 1999/00, the ministry approved 115 loans worth a total of \$3.8 million.

- | | |
|-----------------------------------|---|
| Community Venture Capital Program | <p>The Ministry of Small Business, Tourism and Culture launched a community venture capital program in 1999 to encourage British Columbians to invest in small businesses located outside Greater Victoria and the Lower Mainland. By March 31, 2000, 11 community venture capital corporations had raised approximately \$4.8 million to invest in 16 different regional small businesses.</p> |
| OneStop Business Registration | <p>The Ministry of Small Business, Tourism and Culture opened 25 new OneStop business registration locations, for a total of 60 across the province. These centres allow entrepreneurs who are registering a business to complete all necessary government forms at one time, at one computer terminal, saving both client's and government's time and money.</p> <p>In 1999/00, 9,057 people used this free service to fill in 23,151 forms. Both the user and form volumes were more than double the previous year's volumes.</p> |
| Canada/BC Business Centre | <p>The Canada/BC Business Centre provides information on starting a new business, entering new markets, accessing government programs and services, taxation and regulations. The centre offers a 24-hour fax-back service and online services that include an interactive business planner and an online small-business workshop. Taxation and statistics specialists and guest business advisors are also available to provide business planning and financing advice.</p> <p>The centre is located in Vancouver and has a satellite office, "Victoria Connects". It also offers computer access through 36 partner offices throughout the province.</p> |
| Streamlining Initiative | <p>The streamlining initiative is a government-wide program to ensure that British Columbia's regulatory environment is fair and efficient. To support this effort, the business task force on regulatory impact has a mandate to reduce the cost of doing business in British Columbia and to cut red tape.</p> <p>The <i>Regulatory Impact Statement Act</i>, which is based on task-force recommendations, was enacted in June 1999. The policy sets out requirements for the preparation and publication of regulatory impact statements for major new regulatory proposals.</p> <p>Since May 1998, government has received more than 350 proposals that are within the task force's mandate. Of these, 44 per cent have been implemented and 34 per cent are still under way. The rest cannot be implemented for policy reasons.</p> <p>In fiscal 1999/00, the government introduced 20 bills related to streamlining. These included bills to update and streamline British Columbia's liquor regulations, improve regulation of unclaimed property and provide for electronic land title registration from anywhere in the province.</p> |

3.8 General Government and Other Programs

Financial and Commercial Regulation

The provincial government is responsible for regulating commercial and financial activity in British Columbia. Such regulations ensure the protection of consumers, the integrity of financial markets and institutions, and promote a stable operating environment for business.

**Corporate and
Personal
Registries**

Corporate and Personal Property Registries administers the incorporation and registration of companies, partnerships, societies and co-operatives, registers security interests against personal property and registers ownership and location details of manufactured homes in the province.

**Financial
Institutions
Commission**

The Financial Institutions Commission administers 10 statutes that regulate the financial services and real estate in British Columbia. These are designed to protect depositors and policyholders against insolvency of a trust company, credit union, or insurance company, safeguard consumers against improper market conduct in the financial services and real estate industries and, through the Credit Union Deposit Insurance Corporation, insure credit union deposits and non-equity shares up to \$100,000 per separate deposit (as defined by regulation), per credit union.

**B.C. Securities
Commission**

The B.C. Securities Commission is an independent Crown agency responsible for regulating trading in securities and exchange contracts in the province. The commission ensures that investors have access to the information needed to make informed investment decisions, provides rules of fair play for the markets, establishes qualifications and standards of conduct for people registered to advise investors and to trade on their behalf and protects the integrity of the capital market and confidence of investors. Through the Canadian Securities Administrators, the commission co-operates actively with other securities regulatory authorities to regulate the Canadian securities market.

In 1999/00, 19,444 individuals were registered to trade in securities. The commission received 2,415 prospectuses (an increase of 35 per cent from the previous year) and 1,115 requests for discretionary exemptions from legislative requirements (up 23 per cent).

**Treaty
Negotiations**

The Ministry of Aboriginal Affairs has the responsibility for negotiating, on behalf of the province, fair and affordable settlements to aboriginal claims. Major accomplishments during 1999/00 included:

- The Nisga'a treaty, negotiated between the federal and provincial governments and the Nisga'a Nation, came into effect after being ratified by the three parties. The Nisga'a will own and exercise jurisdiction over approximately 2,000 square kilometres in the Lower Nass Valley. The Nisga'a will receive \$190 million in capital transfers over 15 years and \$85 million in other payments, of which almost 90 per cent will be provided by the federal government.
- A settlement was concluded with the McLeod Lake Indian Band regarding adhesion to a 100-year-old treaty (Treaty 8). The Band received approximately 19,810 hectares of Crown land that will have reserve status. The province contributed \$1 million for negotiation costs and an estimated \$29 million in stumpage fees for trees cut on these lands since 1995.
- Steady progress was made on negotiations of modern day treaties through the BC Treaty Commission process, with the signing of the first Agreement in Principle with the Sechelt First Nation. Settlement offers were presented to five First Nations. Forty-two First Nations groups are active in the process, 37 of which are in the substantive agreement-in-principle stage of negotiations.

**Library Services
Branch**

In 246 communities in British Columbia, public libraries serve as "information equalizers" or providers of equal access for all. In 1999/00, almost 43 million items were borrowed from public libraries, representing 12 library loans for each citizen in the province. Of those 246 library outlets, 227 provide public access to the Internet.

Libraries are strategically positioned to provide key public access points to the information highway. The virtual reference desk site was officially launched in December 1999. The site was developed collaboratively by the Library Services Branch and the public libraries of British Columbia for the purpose of providing quick and easy access to electronic reference information.

**Home Owner
Grant Program**

The provincial government provided more than \$487 million in 1999/00 through the home owner grant program to reduce property taxes.

**Commercial and
Financial
Regulation**

Credit Reporting

The Credit Reporting section administers the *Credit Reporting Act* that regulates credit-reporting agencies. The section handles complaints regarding individual credit records and liaises with credit reporting agencies. There were 17 registered agencies and 386 complaints in 1999/00, compared to 19 registered agencies and 208 complaints in 1998/99.

Debt Collection

Debt collection agencies, debt collectors and bailiffs are registered under the *Debt Collection Act*. In 1999/00, the section licensed 177 agencies and 1,580 collectors and handled 798 complaints against registrants.

Land Titles

The Land Title Branch looks after registration of land ownership based on the Torrens land title registration system. This system ensures security of title and other interests of land such as mortgages, life estates, leases, rights of way, easements and liens registered against the land. In performing the duties described in the *Land Title Act*, the branch fulfils a quasi-judicial function. The branch also maintains a computerized system to enable quick access to land title information. Land title offices are located in Victoria, New Westminster, Kamloops and Prince George, with additional application receiving centres in Government Agents' offices in Prince Rupert and Nelson.

**Liquor Control and
Licensing**

The Liquor Control and Licensing Branch is responsible for controlling access to and encouraging the responsible use of alcohol. The branch issues and transfers licences for resale and manufacture of liquor; approves and monitors product advertising; inspects licensees to ensure compliance with the law; maintains public relations with law enforcement, local government and other regulatory agencies; takes appropriate compliance action for contravention of the *Liquor Control and Licensing Act* and its regulations; and liaises with stakeholders to develop effective policy and legislation.

As of March 31, 2000, there were 10 categories of liquor licences in British Columbia and 8,037 licensed premises, up 5.4 per cent from the previous year. There were 23,497 special occasion licence permits issued (down from 1998/99). Enforcement problems resulted in 504 warning letters issued, 48 hearings and 52 suspensions. A total of \$6.1 million in administrative receipts was collected for services, up slightly from the previous year.

**Motor Dealer
Licensing**

Motor Dealer Licensing administers the *Motor Dealer Act*, the Motor Dealer Customer Compensation Fund Regulation and the Motor Dealer Consignment Sales Regulations.

In 1999/00, 1,673 dealers were licensed in comparison to the 1,706 licensed in 1998/99. Regulations also provide protection by mandating full disclosure of vehicle

history by dealers, as well as coverage of up to \$20,000 for losses by individual customers. During the past year the motor dealer compensation fund paid out \$422,536 to 70 customers. This compares to \$170,059 paid out in 1999/00. As of March 31, 2000, the fund's balance was \$1.3 million, down almost \$200,000 from the previous year.

Multiculturalism and Immigration

The Ministry of Attorney General and Ministry Responsible for Multiculturalism and Immigration is responsible for promoting and implementing both the *Ministry of International Business and Immigration Act* (MIBI) and the *Multiculturalism Act of BC*. The MIBI Act provides British Columbia with the authority to enter into agreements with Canada on matters relating to immigration. The *Multiculturalism Act* recognizes the multiculturalism and diversity of British Columbia, encourages cross-cultural understanding and promotes the elimination of racism.

The Ministry of Multiculturalism and Immigration expenditures for 1999/00 were \$8 million.

Policies and programs are provided through the ministry to support understanding of diverse cultures and the delivery of settlement and integration services for immigrants and refugees in British Columbia.

- The BC Settlement and Integration Program assists new immigrants by providing services including interpretation, support counselling and community-based mentoring programs. The province provided \$25 million for the program in 1999/00.
- The BC Anti-racism and Multiculturalism Program provides financial contributions to British Columbia non-profit societies for projects supporting the *Multiculturalism Act*. In 1999/00 the province provided \$1 million for the program.
- The BC Heritage Language Program offers heritage language instruction to assist British Columbians in global communication. In 1999/00 the government contributed \$170,000 towards speciality language programs.

Registrar of Cemeteries

The Registrar of Cemeteries and Funeral Services regulates the establishment and operation of cemeteries and crematoria. In 2000 there were 134 funeral homes (130 in 1999), 385 funeral directors (390 in 1999) and 295 embalmers (288 in 1999) licensed to operate in the province. Most cemeteries are required to have a perpetual care fund which represents a minimum of 25 per cent of the price of each plot sold and \$10 for each memorial marker installed. These funds, held in trust, amount to about \$45 million.

Registrar of Direct Sellers

The Registrar of Direct Sellers administers regulations under the *Direct Sellers Consumer Protection Act*. In 1999/00, 85 direct seller (door-to-door) companies were licensed. In 1998/99, 113 direct sellers were licensed and bonded. Salespersons and agents representing direct seller companies are required to produce proof of licensing, including photo identification, when door-to-door soliciting.

Residential Tenancy Office

The Residential Tenancy Office provides information and assistance to landlords and tenants on their legal rights, responsibilities and options under the *Residential Tenancy Act*; improves public awareness of provisions under the act and administers dispute resolution processes using government appointed arbitrators and mediators. Claims of up to \$10,000 may be arbitrated and arbitrator's orders can be enforced through the courts. In 1999/00, the office answered 259,772 telephone enquiries, conducted 50,935 personal interviews, and scheduled more than 22,130 arbitration hearings and 42 mediation applications. Early intervention in disputes resulted in 583 avoided mediations.

Travel Services The Travel Services program administers the *Travel Agents Act* and its regulations to ensure that all persons and travel agencies in the province selling or offering retail or wholesale travel services are registered. In 1999/00, there were 1,155 registered travel agencies in the province, down from 1,157 in 1999.

During 1999/00, \$32,456 was paid out of the travel assurance fund to compensate 81 eligible travellers that prepaid their trips but were unable to travel. This compares to \$459,037 paid out last year to 763 eligible customers and \$51,227 that was paid out in 1997/98 to compensate 155 would-be travellers. The fund's balance as of March 31, 2000, was \$2.6 million.

Labour Relations The provincial government promotes good relations between employers and workers and ensures that basic standards of working conditions and compensation are met. The provincial government also ensures that pension plans in the province meet basic standards.

The rate of unionization in British Columbia has remained relatively stable at approximately 35 per cent of paid workers for the past decade.

While the number of work stoppages in 1999 involved more workers than average, the total number of worker days lost was less than in the two previous years.

**Table 3.5 Work Stoppages in British Columbia:
Comparison, 1997 to 1999**

	1997	1998	1999
Work Stoppages.....	42	41	56
B.C. Workers Directly Involved.....	10,606	27,291	28,324
Duration in Worker Days.....	368,008	274,130	227,462

Employment Standards Minimum standards of wages and terms of employment for most workers in British Columbia are set under the *Employment Standards Act* and regulation, which are administered by the Employment Standards Branch. The Branch also administers the *Skills Development and Fair Wage Act* and performs investigation and dispute resolution services for the Labour Relations Board, the Collective Agreement Arbitration Bureau and the British Columbia Council of Human Rights. An independent Employment Standards Tribunal hears appeals of decisions of the director of employment standards.

Employment Standards Act The British Columbia *Employment Standards Act* requires that employees working in private homes be registered with the director of employment standards. In order to improve compliance with this requirement, a regulation was enacted in September 1999 that requires employment agencies placing domestic workers to inform employers of the requirement to register domestic workers with the Employment Standards Branch. An employment agency that does not do so could lose its licence or face other penalties.

Skills Development and Fair Wage Act With certain exceptions, the *Skills Development and Fair Wage Act* applies to any public construction project which requires the expenditure of \$250,000 or more of provincial money. The Act sets out requirements for trade qualification of people working on such projects and sets wage rates for journey persons and apprentices. A fair wage compliance team made up of officers and staff in the Employment Standards Branch supports the application of the *Skills Development and Fair Wage Act*.

Pension Standards	Minimum standards for British Columbia pension plans in areas such as eligibility, vesting, portability, survivor benefits, employer contributions and disclosure to members are set out under The <i>Pension Benefits Standards Act</i> , which is administered by the Superintendent of Pensions and the Pension Standards Branch. There are more than 1,000 pension plans registered in British Columbia. In 1999/00, a number of amendments to the <i>Pension Benefits Standards Act</i> were introduced that provide greater flexibility to pension fund administrators as well as enhancing protection to pension plan members. As well, the definition of spouse was amended to ensure all qualified couples are treated equally under plans that provide survivor and spousal benefits.
Industry Training and Apprenticeship Commission	The Industry Training and Apprenticeship Commission (ITAC) was created in November 1997 as a provincial government-sponsored, industry-driven, arms-length strategic policy board. ITAC's mandate is to revitalize industry training and apprenticeship in British Columbia, to increase existing apprenticeships and to expand into new occupations.
Film and Television	Most actors, performers and extras and many technical creative people (film directors, production designers, costume designers) in British Columbia use the services of talent agents. As the result of a year-long consultation process with talent agencies, producers, and performers, regulations were developed to require licensing of talent agencies and establish standards for commissions, fees, and payment of wages.
Occupational Health and Safety	Workers' compensation and occupational health and safety is the responsibility of the Workers' Compensation Board (WCB), a statutory agency that administers the <i>Workers Compensation Act</i> and the Occupational Health and Safety Regulation. The WCB is committed to a safe and healthy workplace and to providing return-to-work rehabilitation and fair compensation to workers injured or suffering occupational disease as a result of their employment. The WCB serves 1.8 million workers and about 165,000 employers in British Columbia.

The injury rate — the number of accepted time-loss claims per 100 person-years and a key measure of how safe workplaces are — improved to 4.1 in 1999/00, down 21 per cent from a peak of 5.2 in 1994.

**Table 3.6 Rate of Injury of British Columbia Workers
1997 to 1999**

	1997	1998	1999
Total number of claims first reported	185,852	179,582	178,187
Injury Rate (accepted time-loss claims per 100 person-years of employment).....	4.6	4.3	4.1
Average Claims Duration (days paid per claim from all years).....	42.2	47.5	52.3
Total Number of Employers Registered.....	153,499	159,036	164,963
Average Premium Rate ¹	\$2.22	\$2.01	\$1.88
Total Short-Term Disability Costs.....	\$268 million	\$299 million	\$343 million
Total Compensation Costs.....	\$1.0 billion	\$1.1 billion	\$1.3 billion
Total Administration Expenses ²	\$202 million	\$226 million	\$232 million

¹ The average 2000 premium rate is estimated at \$1.84, a two per cent decline from 1999 and 8.5 per cent lower than in 1998.

² The increase in 1999 was mainly attributable to increased allocation of resources to prevention and expenditures for developing projects aligned to the WCB's strategic plan.

Two high-risk industries — health care and forestry — experienced significantly more injuries in 1999/00 and are the focus of special attention. To address this situation, greater attention was paid to these industries by the Board in the form of enhancing monitoring and status reporting, and educating workplace parties on how to improve health and safety in their workplaces.

3.9 Crown Corporations and Agencies

Introduction

British Columbia has established several publicly owned, or Crown corporations and agencies to employ private-sector management techniques in the pursuit of public policy goals. Their products and services include energy, insurance and transportation, as well as building, land management and property assessment services for provincial and local governments.

There are three kinds of Crown corporations:

- **Commercial**, which generate revenue by selling services at commercial rates and pay their own operating expenses, including debt service charges.
- **Economic development**, which generally sell services to the public or undertake projects that provide economic benefits to British Columbia. Since these corporations may not generate enough revenue to break even, they may receive financial assistance or dedicated revenue from the province.
- **Social and government service**, which generally receive government financial assistance to deliver social programs and other government services.

Chapter 2 provides information on the financial results of provincial Crown corporations and Appendix A3.3 lists major Crown corporations and agencies by type and function, as well as contact information.

Commercial Crown Corporations

British Columbia Hydro and Power Authority

BC Hydro is the province's largest Crown corporation and Canada's third-largest electric utility. It serves more than 1.5 million customers in an area containing over 94 per cent of British Columbia's population, delivering electricity over more than 74,000 kilometres of transmission and distribution lines. Between 43,000 and 54,000 gigawatt-hours of electricity are generated annually, depending on water levels, with more than 80 per cent produced by major hydroelectric generating stations on the Columbia and Peace Rivers.

British Columbia Lottery Corporation

The British Columbia Lottery Corporation conducts and manages provincial lottery schemes such as BC/49 and Scratch & Win and all commercial casino gaming (slot machines and table games). BCLC co-operates with other provinces in conducting and managing national lottery schemes, such as Lotto 6/49. Lottery tickets are available through a network of licensed retailers throughout British Columbia.

BCR Group of Companies

BCR Group of Companies is a Crown corporation with transportation, deep-sea terminal and related, integrated services.

The BCR Group of Companies includes the following business units:

- BC Rail, Canada's third largest railway, operates 2,315 kilometres of mainline track and 740 kilometres of industrial and yard track and sidings. BC Rail operates exclusively in British Columbia, with line connections throughout North America. Revenue is earned from transporting natural resources, car hire, intermodal operations and passenger services. Freight transport generates 80 per cent of the corporation's revenue.
- BCR Marine operates deep-sea loading, stevedoring, cargo management and container handling for various commodities. BCR Marine handled over 12 million tons of cargo in 1999/00. BCR Marine's Vancouver Wharves facility is one of the largest multi-product, deep-sea loading terminals on the Pacific Coast of North America. The Canadian Stevedoring component of BCR Marine is the largest provider of stevedoring in British Columbia, serving 22 ports. The Casco Terminals arm of BCR Marine operates the container terminal at the Centerm/Ballantyne site in Vancouver harbour.

Columbia Power Corporation

Columbia Power Corporation invests in power projects on a joint-venture basis with the Columbia Basin Trust. The two entities jointly own the Brilliant dam and generating station near Castlegar, selling power to West Kootenay Power Ltd. under a 60-year agreement. Construction of the Keenleyside power plant began in 1999 and is scheduled for completion in 2002. Other planned projects include upgrades and expansions at the Brilliant and Waneta dams.

Insurance Corporation of British Columbia

The Insurance Corporation of British Columbia (ICBC) administers Autoplan, a compulsory automobile insurance program through which all British Columbia vehicle owners are required to buy basic insurance. ICBC also offers motorists extended third-party legal liability and other optional coverage in competition with private-sector insurers. ICBC also promotes driver, vehicle and road safety through *Road Sense* — a series of public education initiatives.

The corporation is also responsible for vehicle licensing, registration and issuance of driver licences, vehicle standards and inspections, commercial transport regulation, weigh-scale operations and enforcement of vehicle weights and dimensions, motor carrier licensing support, road inspections, enforcement and compliance audits.

Liquor Distribution Branch

The Liquor Distribution Branch (LDB) manages the distribution of alcoholic beverages in British Columbia through 223 government liquor stores. The LDB also oversees the operations of 545 private retail outlets, including rural agency, industry agency, private wine, duty free and licensee retail stores (commonly called cold beer and wine stores).

Provincial Capital Commission

The Provincial Capital Commission protects and enhances Victoria's unique character and surroundings through the preservation and elaboration of natural and built amenities. The commission is not funded directly by government; all current funding comes from self-generated revenues and reserves. The commission has about 50 properties within Greater Victoria, 20 per cent of which generate net revenues. Since 1956, the commission has undertaken more than 150 community enhancement projects.

Skeena Cellulose (577315 British Columbia Ltd.)

Skeena Cellulose operates a pulp mill near Prince Rupert and processing mills in several northern British Columbia communities. The company generates revenues through the sale of pulp and wood products.

**Economic
Development
Crown
Corporations****British Columbia
Ferry Corporation**

The ferry system that is now operated by BC Ferries was started in 1960, when the provincial government initiated regularly scheduled ferry service between the Lower Mainland and Vancouver Island. Today, the corporation operates 40 vessels on 26 routes, plus 43 marine terminals and seven other sites. In 1999/00, BC Ferries carried 21.4 million passengers and 7.9 million vehicles.

Catamaran Ferries International Inc., a wholly-owned subsidiary, began operations in April 1996 to construct fast ferries for the corporation and develop related technology for application in the domestic and international markets. The vessels are now for sale.

**BC Pavilion
Corporation**

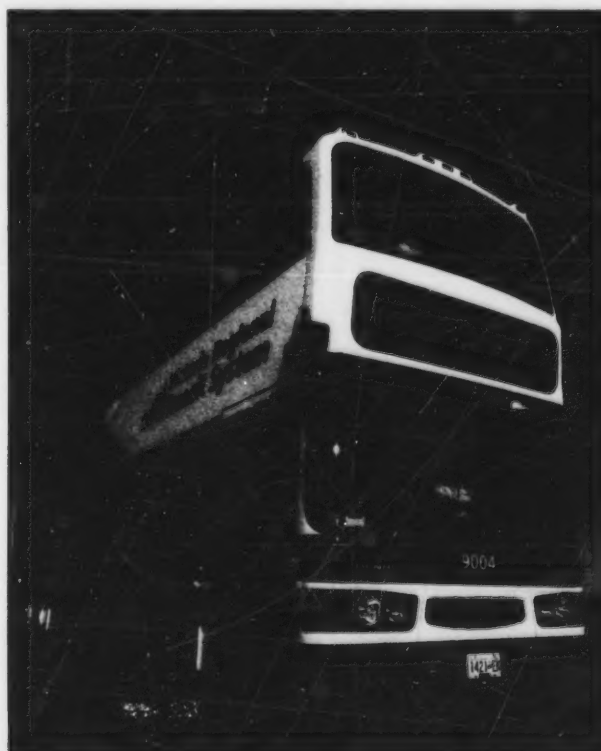
British Columbia Pavilion Corporation operates the Vancouver Convention and Exhibition Centre, BC Place Stadium, Robson Square Conference Centre, Tradex and Bridge Studios. These facilities hosted 1,160 events in 1999/00, generating \$27.8 million in revenue and close to \$400 million in net economic benefits for the province.

**British Columbia
Transit**

BC Transit is responsible for providing public transit throughout the province outside of the Lower Mainland. The corporation manages a fleet of 667 vehicles in 50 communities. In addition to buses, BC Transit manages transit exchanges, garages and park-and-ride facilities. The company also provides transportation for persons with disabilities who are unable to use conventional public transit. *TransLink* assumed responsibility for public transportation in the Lower Mainland on March 31, 1999.

In 1999/00, BC Transit carried 33.2 million passengers and provided more than 1.5 million hours of conventional and custom transit service.

One of ten new BC Transit
double-decker buses operating
in the Victoria area.



BC Transportation Financing Authority	The BC Transportation Financing Authority (BCTFA) co-ordinates, plans, finances and constructs transportation infrastructure in British Columbia. BCTFA works with government to ensure transportation investments meet transportation needs and support economic development. BCTFA also works with local governments to develop integrated transportation and land-use strategies.
Fisheries Renewal BC	Fisheries Renewal BC was created to help renew the province's fisheries, promote the protection, conservation and enhancement of fish stocks, restore fish habitat and strengthen fishing communities. Over the last two years, Fisheries Renewal has invested in 685 fish habitat protection projects and 78 seafood development initiatives.
Forest Renewal BC	Forest Renewal BC (FRBC) was created in 1994 to enhance the productive capacity and environmental value of British Columbia forests, create jobs and provide training for forest workers, strengthen communities dependent on the forest industry and expand value-added manufacturing. Funding for its programs comes from a share of stumpage fees paid by forest companies to harvest timber on government land. In 1999/00, FRBC spent \$314 million on programs and projects throughout the province.
Okanagan Valley Tree Fruit Authority	In 1990, the Okanagan Valley Tree Fruit Authority was established as a Crown corporation to provide financial and other assistance to revitalize the tree-fruit industry in British Columbia's interior. In 1999/00, \$6.8 million was spent on the orchard renovation program. These expenditures included grants to orchardists to support the replanting of orchards to high density, higher-value varieties of tree fruits, the reinstatement of payments under the Transitional Production Adjustment Program and support for the Sterile Insect Release program. During 1999/00, 571 acres of orchard were replanted, bringing the total number of acres replanted to date to 5,000.
Pacific National Exhibition	The Pacific National Exhibition plans exhibits and events related to the development of agriculture and other industries, as well as community development interests. The PNE operates the Playland amusement park and manages the annual fair. In 1999/00, 1,058,432 people attended the exhibition.
Rapid Transit Project 2000 Ltd.	Rapid Transit Project 2000 Ltd. (RTP 2000) is handling the expansion of <i>SkyTrain</i>, a rapid transit system on British Columbia's Lower Mainland. The new Millennium Line will connect New Westminster, east of Vancouver, with Vancouver Community College via Lougheed Town Centre. Studies indicate ridership on this line will be about 30 million per year by 2006. Between January 1999 and March 2000, \$643 million in major contracts were awarded, and construction began. By the end of March, designs had been finalized for all but one station. The budget for the Millennium Line is \$1.2 billion. RTP 2000 also conducted feasibility studies on two future lines: Port Moody to Coquitlam and a Vancouver west extension.
Tourism British Columbia	Tourism British Columbia worked closely with British Columbia's tourism industry to promote and develop tourism throughout the province and to ensure the continued long-term growth and prosperity of the industry. The corporation, funded through a percentage of the provincial tax on hotel rooms, markets British Columbia to consumers and the travel industry through a variety of joint marketing and promotional campaigns in countries around the world.

In 1999/00, tourism generated a record \$9.2 billion in British Columbia. Most of the province's 22.3 million overnight visitors came from within British Columbia and across Canada. More than 20 per cent came from the U.S., while Asia-Pacific tourists represented slightly less than four per cent of the total.

Social and Government Services, Crown Corporations and Agencies

British Columbia Assessment Authority

The BC Assessment Authority establishes and maintains real property assessments. It completes a new assessment roll at the end of each year, based on the market value of properties at July 1. Individual assessment notices are sent to property owners at the beginning of each January.

The Authority also determines the appropriate classification for British Columbia properties. Table 3.7 shows the authenticated values for all property classes for the 1999 and 2000 assessment rolls.

Table 3.7 1999 and 2000 Authenticated Assessment Roll by Property Classes

Property class #	Property Class Description	Authenticated roll totals		
		1999	2000	Change
		\$ millions	\$ millions	(per cent)
1	Residential	286,580	285,183	-0.5%
2	Utility.....	16,184	15,571	-3.8%
3	Unmanaged forest.....	47	51	8.5%
4	Major industry.....	5,622	5,527	-1.7%
5	Light industry.....	3,590	3,909	8.9%
6	Business/other.....	77,647	78,872	1.6%
7	Managed forest.....	1,014	944	-6.9%
8	Recreation/non-profit.....	10,988	11,023	0.3%
9	Farm.....	1,324	1,317	-0.5%
	Total.....	402,996	402,397	-0.1%

British Columbia Assets and Land Corporation

BC Assets and Land Corporation (BCAL) sells Crown land and other government assets province-wide and provides marketing and land-management services to the province. BCAL also manages Crown land tenure, new applications for use of Crown land, and associated land-management responsibilities.

British Columbia Buildings Corporation

BC Buildings Corporation (BCBC) provides accommodation and real estate services to the provincial government and the broader public sector. BCBC manages over 3,500 buildings with almost 2.4 million square metres of space in about 300 communities across the province. The corporation raises operating funds by charging government ministries rent based on equivalent commercial rates. In 1999/00, government ministries contributed 73 per cent of the corporation's revenue.

British Columbia Housing Management Commission	Established in 1967, the British Columbia Housing Management Commission (BC Housing) is responsible for developing new social housing under the province's HOMES BC program and for administering a variety of other federal/provincial housing programs. During 1999/00, BC Housing was responsible for managing 7,800 subsidized rental units on which rents are calculated at 30 per cent of tenants' incomes. In addition, 25,700 units were managed as non-profit subsidized rentals (including units fully funded by HOMES BC), 1,260 units received supported independent living subsidies, 400 units were funded under the BC rental supply program, 2,400 units had rents supplemented, about 12,300 units were subsidized under the Shelter Aid for Elderly Renters Program and 970 units were targeted to respond to people with special needs. In 1999/00, the province contributed \$91 million to BC Housing. Tenant revenues equaled \$30.1 million.
B.C. Community Financial Services	The British Columbia Community Financial Services Corporation, which does business as Four Corners Community Savings, serves residents of Vancouver's inner city area who may not otherwise have access to basic banking services. Four Corners has developed a full range of financial products and services since opening in April 1996 and now has over 5,000 accounts.
Homeowner Protection Office	The Homeowner Protection Office (HPO) is responsible for residential builder licensing, establishing and monitoring the framework for mandatory home warranty insurance and administering no-interest repair loans and provincial sales tax relief grant programs for owners of leaky homes. During 1999/00, the HPO approved 2,335 homeowner and co-operative housing loans for \$72 million and PST relief grants for \$776,000. Requirements for residential builder licensing and mandatory home warranty insurance on new home construction came into effect on July 1, 1999.
Provincial Rental Housing Corporation	The Provincial Rental Housing Corporation was incorporated under the <i>Company Act</i> in 1961 and holds property for social and other low-cost housing on behalf of the government. The subsidized rental housing units of the corporation are managed and operated by BC Housing, which records the related rental revenue and is responsible for all of the operating and administrative activities and related costs. At March 31, 2000, the corporation had a net investment of \$337 million in these social and other low-cost rental properties.

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1 Economic Review

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2 Financial Review

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Table A1.1 Components of British Columbia Population Change

Year	Net Migration			Natural Increase			Total Population Increase ¹	Population — End of Period (December 31) ¹
	Interprovincial	International	Total	Births	Deaths	Total		
1975.....	(2,864)	25,342	22,478	36,281	19,151	17,130	39,608	2,520,424
1976.....	(1,490)	16,288	14,798	35,848	18,788	17,060	31,858	2,552,282
1977.....	15,507	11,224	22,731	36,691	18,596	18,095	44,826	2,595,870
1978.....	20,698	7,699	28,397	37,231	19,058	18,173	46,570	2,641,202
1979.....	33,241	14,012	47,253	38,432	19,204	19,228	66,481	2,706,445
1980.....	40,165	23,447	63,612	40,104	19,371	20,733	84,345	2,789,552
1981.....	21,565	22,136	43,701	41,474	19,857	21,617	65,318	2,854,237
1982.....	(2,019)	14,150	12,131	42,747	20,707	22,040	34,171	2,888,208
1983.....	4,029	10,603	14,632	42,919	19,827	23,092	37,724	2,925,731
1984.....	3,505	8,633	12,138	43,911	20,686	23,225	35,363	2,960,894
1985.....	(3,199)	9,357	6,158	43,127	21,302	21,825	27,983	2,988,677
1986.....	910	12,821	13,731	41,967	21,213	20,754	34,485	3,023,311
1987.....	17,618	21,600	39,218	41,814	21,814	20,000	59,218	3,082,928
1988.....	25,865	29,255	55,120	42,930	22,546	20,384	75,504	3,158,832
1989.....	37,367	31,526	68,893	43,769	22,997	20,772	89,665	3,248,896
1990.....	38,704	28,420	67,124	45,617	23,577	22,040	89,164	3,338,460
1991.....	34,572	24,820	59,392	45,612	23,977	21,635	81,027	3,424,109
1992.....	39,578	32,662	72,240	46,156	24,615	21,541	93,781	3,525,529
1993.....	37,595	37,840	75,435	46,026	25,764	20,262	95,697	3,628,866
1994.....	34,449	45,557	80,006	46,998	25,939	21,059	101,065	3,737,570
1995.....	23,414	45,591	69,005	46,820	26,375	20,445	89,450	3,834,659
1996.....	17,798	49,322	67,120	46,138	27,536	18,602	85,722	3,923,564
1997.....	1,980	42,651	44,631	44,577	27,412	17,165	61,796	3,985,360
1998.....	(20,984)	28,339	7,355	44,382	18,322	16,060	23,415	4,008,775
1999.....	(11,285)	31,703	20,418	43,706	29,241	14,465	34,883	4,043,658

¹ Components may not add to totals due to the revision of population statistics based on information collected during subsequent census years. The revisions are not distributed back to relevant components due to insufficient data.

Source: Statistics Canada.

Table A1.2 British Columbia Municipal Population Estimates

Name	Area Type	Estimate 1997	Estimate 1998	Estimate 1999	Name	Area Type	Estimate 1997	Estimate 1998	Estimate 1999
Abbotsford.....	C	112,459	113,375	114,216	Nanaimo.....	C	74,977	75,626	76,173
Alert Bay.....	VL	563	555	553	Nelson.....	C	9,960	9,716	9,694
Anmore.....	VL	1,023	1,162	1,261	New Denver.....	VL	606	603	612
Armstrong.....	C	4,142	4,196	4,216	New Hazelton.....	DM	874	851	836
Ashcroft.....	VL	1,988	1,950	1,974	New Westminster.....	C	52,433	53,575	54,177
Belcarra.....	VL	705	707	707	North Cowichan.....	DM	26,718	27,085	27,348
Burnaby.....	C	189,057	189,183	190,272	North Saanich.....	DM	10,889	10,936	10,918
Burns Lake.....	VL	1,894	1,887	1,888	North Vancouver.....	C	43,739	44,428	44,640
CACHE Creek.....	VL	1,196	1,154	1,145	North Vancouver.....	DM	84,786	85,282	85,509
Campbell River.....	DM	30,972	31,404	31,295	Oak Bay.....	DM	18,345	18,142	17,900
Castlegar.....	C	7,347	7,388	7,393	Oliver.....	T	4,513	4,448	4,385
Central Saanich.....	DM	15,326	15,475	15,509	Osoyoos.....	T	4,313	4,392	4,415
Chase.....	VL	2,593	2,578	2,571	Parksville.....	C	10,150	10,251	10,358
Chetwynd.....	DM	3,080	2,954	3,059	Peachland.....	DM	4,805	4,795	4,833
Chilliwack.....	C	63,470	64,484	65,263	Pemberton.....	VL	1,182	1,353	1,659
Clinton.....	VL	762	772	737	Pentticon.....	C	32,544	32,526	32,627
Coldstream.....	DM	9,486	9,539	9,551	Pitt Meadows.....	DM	14,395	14,504	14,756
Colwood.....	C	14,578	14,732	14,676	Port Alberni.....	C	19,638	19,499	19,334
Comox.....	T	11,719	11,942	12,153	Port Alice.....	VL	1,373	1,342	1,293
Coquitlam.....	C	108,346	110,423	111,534	Port Clements.....	VL	601	605	573
Courtenay.....	C	18,875	19,209	19,511	Port Coquitlam.....	C	50,093	50,799	51,130
Cranbrook.....	C	19,352	19,542	19,797	Port Edward.....	DM	773	778	772
Creston.....	T	5,107	5,132	5,089	Port Hardy.....	DM	5,485	5,377	5,281
Cumberland.....	VL	2,744	2,749	2,726	Port McNeill.....	T	3,117	3,104	3,109
Dawson Creek.....	C	11,865	11,796	11,812	Port Moody.....	C	22,663	23,134	23,736
Delta.....	DM	100,574	101,018	101,098	Pouce Coupe.....	VL	930	946	928
Duncan.....	C	4,918	4,899	4,781	Powell River.....	DM	13,971	13,930	13,900
Eldorado.....	DM	2,835	2,816	2,805	Prince George.....	C	79,915	80,801	80,845
Enderby.....	C	2,922	2,912	2,909	Prince Rupert.....	C	17,581	17,164	16,985
Esquimalt.....	DM	16,824	16,648	16,423	Princeton.....	T	2,983	2,967	2,981
Fermie.....	C	5,114	5,107	5,203	Qualicum Beach.....	T	7,175	7,385	7,390
Fort Nelson.....	T	4,781	4,780	4,777	Quesnel.....	C	9,091	8,984	10,589
Fort St. James.....	C	2,149	2,118	2,111	Radium Hot Springs.....	VL	579	581	605
Fort St. John.....	DM	15,962	16,295	16,448	Revelstoke.....	C	8,418	8,318	8,226
Fraserville.....	VL	1,352	1,330	1,283	Richmond.....	C	158,965	161,957	164,009
Fruitvale.....	VL	2,194	2,172	2,153	Rossland.....	C	3,897	3,849	3,859
Gibsons.....	T	3,902	3,919	3,885	Saanich.....	DM	106,798	106,839	106,695
Gold River.....	VL	2,053	1,950	1,800	Salmo.....	VL	1,262	1,278	1,256
Golden.....	T	4,207	4,166	4,193	Salmon Arm.....	DM	15,761	16,193	16,285
Grand Forks.....	C	4,305	4,298	4,320	Sayward.....	VL	465	452	432
Granville.....	VL	471	459	456	Sechelt.....	DM	8,035	8,254	8,387
Greenwood.....	C	815	792	761	Sechelt Ind Gov Dist.....	IGD	863	875	901
Harrison Hot Springs.....	VL	1,063	1,084	1,106	Sicamous.....	DM	3,004	3,149	3,165
Hazelton.....	VL	362	369	367	Sidney.....	T	11,037	11,237	11,202
Highlands.....	DM	1,536	1,563	1,602	Silverton.....	VL	253	250	240
Hope.....	DM	6,692	6,806	6,826	Slocan.....	T	348	351	339
Houston.....	DM	4,281	4,330	4,232	Smithers.....	DM	5,989	6,062	6,069
Hudson's Hope.....	DM	1,168	1,148	1,152	Spallumcheen.....	DM	5,631	5,684	5,688
Invermere.....	DM	2,901	2,936	2,947	Sparwood.....	DM	4,083	4,156	4,163
Kamloops.....	C	81,130	81,737	81,958	Squamish.....	DM	15,082	15,337	15,359
Kaslo.....	VL	1,115	1,117	1,106	Stewart.....	DM	831	736	702
Kelowna.....	C	95,202	97,200	97,385	Summerland.....	C	11,026	10,895	10,856
Keremeos.....	DM	5,132	5,246	5,316	Surrey.....	C	326,063	332,244	336,034
Kimberley.....	VL	1,195	1,192	1,190	Tahsis.....	VL	968	903	885
Kitimat.....	DM	11,742	11,692	11,672	Taylor.....	DM	1,095	1,134	1,211
Ladysmith.....	T	6,820	6,881	6,878	Telkwa.....	VL	1,340	1,403	1,417
Lake Country.....	DM	9,594	9,515	9,532	Terrace.....	C	13,722	13,788	13,836
Lake Cowichan.....	T	3,028	3,058	3,064	Tofino.....	DM	1,293	1,382	1,479
Langford.....	DM	19,110	19,386	19,567	Trail.....	C	7,789	7,767	7,626
Langley.....	C	23,774	24,094	24,178	Tumbler Ridge.....	DM	3,837	3,469	2,858
Langley.....	DM	85,806	87,595	88,489	Ucluelet.....	DM	1,742	1,740	1,764
Lillooet.....	DM	3,044	3,014	2,971	Valemount.....	VL	1,383	1,395	1,362
Lions Bay.....	VL	1,404	1,413	1,413	Vancouver.....	C	547,067	552,481	558,232
Logan Lake.....	DM	2,612	2,589	2,516	Vanderhoof.....	DM	4,709	4,728	4,777
Lumby.....	VL	1,824	1,798	1,760	Vernon.....	C	33,887	34,332	34,227
Lytton.....	VL	331	326	320	Victoria.....	C	76,732	75,990	75,283
Mackenzie.....	DM	6,322	6,290	6,250	View Royal.....	T	6,920	7,030	7,325
Maple Ridge.....	DM	60,414	60,987	61,970	Warfield.....	VL	1,826	1,827	1,800
Masset.....	VL	1,079	1,068	1,211	Wells.....	DM	—	272	258
McBride.....	VL	796	774	757	West Vancouver.....	DM	42,717	42,664	42,541
Merritt.....	C	8,032	8,126	8,054	Whistler.....	DM	8,461	9,167	9,430
Metchoan.....	DM	4,967	5,016	5,030	White Rock.....	C	18,011	17,889	17,573
Midway.....	VL	709	692	686	Williams Lake.....	C	11,205	11,277	11,917
Mission.....	DM	32,179	32,528	32,660	Zeballos.....	VL	252	243	246
Montrose.....	VL	1,177	1,178	1,169	100 Mile House.....	DM	2,031	2,075	2,046
Nakusp.....	VL	1,803	1,835	1,788	Total.....		3,414,754	3,448,279	3,470,601

Note: All figures correspond to municipal boundaries and are as of July 1 of the year stated.

C = City, T = Town, VL = Village, DM = District Municipality, IGD = Indian Government District.

* Denotes a boundary change between 1997 and 1999.

† Denotes a new incorporation in 1998.

Source: BC Stats, Ministry of Finance and Corporate Relations.

Table A1.3 Population by Region at July 1

	Region 1 Vancouver Island/Coast	Region 2 Mainland/ Southwest	Region 3 Thompson/ Okanagan	Region 4 Kootenay	Region 5 Cariboo	Region 6 North Coast	Region 7 Nechako	Region 8 Northeast
	(thousands)							
1989.....	592	1,782	370	135	154	66	41	58
1990.....	611	1,837	383	137	155	67	41	59
1991 ¹	629	1,885	396	138	156	68	42	60
1992.....	643	1,948	411	141	157	68	42	60
1993.....	661	2,006	428	144	161	69	42	61
1994.....	680	2,072	445	147	164	69	43	62
1995.....	695	2,136	457	150	169	70	44	64
1996 ¹	706	2,200	469	153	173	71	45	65
1997.....	718	2,244	480	155	178	72	46	66
1998.....	722	2,271	486	156	179	72	46	66
1999.....	722	2,291	488	157	179	72	47	67
	(percentage change)							
1990.....	3.3	3.1	3.5	1.5	0.9	1.4	1.1	1.1
1991 ¹	2.9	2.6	3.4	0.7	0.5	0.9	0.8	2.0
1992.....	2.2	3.4	3.8	2.0	0.5	0.7	0.0	0.6
1993.....	2.8	3.0	4.2	2.0	2.3	0.8	0.2	1.4
1994.....	2.9	3.2	3.9	2.4	2.3	0.9	2.0	1.7
1995.....	2.3	3.1	2.8	2.1	2.6	1.3	2.4	2.2
1996 ¹	1.6	3.0	2.5	1.9	2.8	1.5	2.9	2.2
1997.....	1.7	2.0	2.4	1.2	2.6	1.4	2.5	1.6
1998.....	0.4	1.2	1.2	0.5	0.9	-0.7	1.1	0.7
1999.....	0.1	0.9	0.6	0.6	0.0	0.2	0.3	0.4

¹ Includes estimates of the net census undercount.

Source: BC Stats, Ministry of Finance and Corporate Relations.

Table A1.4 Summary of Economic Activity for British Columbia

	Units	1985	1986	1987	1988
Annual aggregate indicators					
Population ¹	(thousands)	2,990.0	3,004.1	3,050.1	3,115.7
Nominal gross domestic product ² (at market prices)	(\$ millions)	53,519	56,606	62,483	69,331
Personal income ³	(\$ millions)	—	—	—	—
Capital investment.....	(\$ millions)	10,189	9,576	10,781	12,710
Business incorporations.....	(number)	15,578	17,064	18,691	18,703
Labour statistics					
Labour force.....	(thousands)	1,491	1,524	1,563	1,599
Employment.....	(thousands)	1,274	1,329	1,375	1,436
Unemployment rate.....	(per cent)	14.6	12.8	12.1	10.2
Prices and earnings					
Consumer price index (British Columbia).....	(1992=100)	76.4	78.6	81.0	83.9
Consumer price index (Vancouver).....	(1992=100)	76.0	78.5	80.9	83.8
B.C. export commodity price index (Cdn. \$).....	(1992=100)	94.7	97.0	100.7	109.4
Average weekly wage rate ⁴	(\$)	—	—	—	—
Wages and salaries.....	(\$ millions)	26,226	27,469	29,911	32,800
Financial indicators					
Prime rate.....	(per cent)	10.58	10.52	9.52	10.83
Canada/U.S. exchange rate.....	(U.S. cents)	73.25	71.97	75.41	81.24
Conventional (5-year) mortgage rate.....	(per cent)	12.18	11.22	11.14	11.60
Other indicators					
Manufacturing shipments.....	(\$ millions)	19,858	20,240	23,374	25,516
Retail sales ⁵	(\$ millions)	16,016	17,416	19,160	20,802
Housing starts.....	(number)	17,969	20,687	28,944	30,487
Non-residential building permits.....	(\$ millions)	812	912	999	1,647
Tourism gross domestic product.....	(\$ millions)	2,339	2,632	2,675	2,873
High-technology gross domestic product ⁶	(\$ millions)	—	—	—	—
B.C. product exports.....	(\$ millions)	12,779	13,179	16,236	17,830
Commodity data					
Lumber production.....	(thousand m ³)	32,994	31,468	37,336	36,736
Log production (timber harvest).....	(thousand m ³)	76,869	77,503	90,592	86,807
Market pulp shipments.....	(000 tonnes)	3,298	3,628	4,136	4,141
Newsprint, other paper and paperboard production	(000 tonnes)	2,500	2,602	2,753	2,878
Petroleum and natural gas production.....	(\$ millions)	1,050	778	731	736
Coal production.....	(000 tonnes)	22,613	20,837	22,587	24,813
Solid mineral production.....	(\$ millions)	2,378	2,440	2,768	3,224
Electric power generated.....	(GW.h)	59,126	50,759	63,066	60,943
Farm cash receipts.....	(\$ millions)	1,061	1,106	1,121	1,206
Landed value of fish products.....	(\$ millions)	379	405	455	573

¹ As at July 1. Data take into account adjustments made for net census undercount and non-permanent residents.

² 1999 data are Ministry of Finance and Corporate Relations estimates.

³ In May 1998, as part of its periodic re-basing of the national economic accounts, Statistics Canada revised provincial GDP and personal income back to 1992. Revised estimates prior to 1992 are not yet available. 1999 data are Ministry of Finance and Corporate Relations estimates.

⁴ Data prior to 1997 are not available.

⁵ Retail sales data prior to 1991 include the old federal manufacturer's sales tax (FST); data for 1991 onwards do not include the goods and services tax.

⁶ Data prior to 1988 are not available.

⁷ Figures not available at time of cut-off.

Sources: Statistics Canada and BC Stats, Ministry of Finance and Corporate Relations, based on federal, provincial and industry data.

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Change 1998-1999 (per cent)
3,198.5	3,291.4	3,373.4	3,470.3	3,571.5	3,681.8	3,784.0	3,882.0	3,959.7	3,998.3	4,023.1	0.6
75,519	79,227	81,766	87,066	93,822	100,149	105,319	108,034	111,126	110,948	114,480	3.2
—	—	—	77,925	81,179	84,862	89,176	91,626	94,085	95,575	97,675	2.2
15,925	17,202	17,216	17,368	18,006	20,403	19,988	18,775	21,807	20,055	20,335	1.4
21,817	19,550	18,528	20,406	22,955	25,774	23,846	22,848	22,958	20,759	21,009	1.2
1,658	1,700	1,749	1,804	1,856	1,928	1,958	1,995	2,040	2,051	2,079	1.4
1,510	1,555	1,572	1,620	1,676	1,754	1,792	1,821	1,869	1,870	1,906	1.9
9.0	8.6	10.1	10.2	9.7	9.0	8.4	8.7	8.4	8.8	8.3	-5.7
87.7	92.4	97.4	100.0	103.5	105.5	107.9	108.9	109.7	110.0	111.2	1.1
87.5	92.3	97.1	100.0	103.6	105.7	108.4	109.2	109.8	110.4	111.4	0.9
111.3	106.7	93.6	100.0	115.5	131.4	141.0	138.2	140.8	131.0	140.1	6.9
—	—	—	—	—	—	—	—	610.69	618.37	625.21	1.1
36,697	40,018	41,385	43,415	45,352	47,312	49,383	51,078	52,925	53,264	54,444	2.2
13.33	14.06	9.94	7.48	5.94	6.88	8.65	6.06	4.96	6.60	6.40	-3.0
84.45	85.71	87.28	82.73	77.51	73.22	72.86	73.34	72.22	67.41	67.31	-0.1
12.05	13.24	11.16	9.52	8.70	9.34	9.22	7.94	7.07	6.90	7.60	10.1
26,596	25,329	23,259	24,839	27,143	31,048	35,040	34,096	34,583	33,890	36,993	9.2
22,791	24,200	23,613	24,512	26,553	29,443	31,496	32,071	33,736	33,045	33,672	1.9
38,894	36,720	31,875	40,621	42,807	39,408	27,057	27,641	29,351	19,931	16,309	-18.2
1,808	1,832	1,803	2,082	1,944	1,772	1,971	1,957	1,959	2,022	2,104	4.0
3,162	3,362	3,422	3,552	3,769	4,047	4,323	4,520	4,684	n.a.	n.a. ⁷	—
1,580	1,697	1,675	1,732	1,858	1,998	2,240	2,366	2,483	2,637	n.a. ⁷	—
18,334	16,648	15,215	16,353	19,016	22,834	26,911	25,765	26,761	26,045	28,694	10.2
35,952	33,515	31,406	33,396	33,935	33,671	32,611	32,671	31,562	30,237	31,832	5.3
87,414	78,316	73,676	74,004	79,239	75,650	76,471	75,213	68,628	64,967	75,997	17.0
4,189	3,547	4,014	3,815	4,040	4,763	4,565	4,390	4,532	4,462	4,995	11.9
2,846	2,994	2,721	2,692	3,067	2,947	2,836	2,801	2,649	2,567	3,016	17.5
783	899	858	890	1,089	1,270	1,040	1,333	1,588	1,561	2,109	35.1
25,134	24,366	24,848	18,094	20,629	22,580	24,350	26,179	27,812	25,366	24,302	-4.2
3,180	2,971	2,755	2,537	2,347	2,677	3,437	3,087	3,130	3,026	2,598	-14.1
57,655	60,662	62,981	64,058	58,774	61,015	58,006	71,747	66,693	66,809	67,989	1.8
1,255	1,299	1,340	1,427	1,452	1,543	1,599	1,712	1,758	1,831	1,945	6.2
513	559	492	533	605	735	587	589	604	547	614	12.2

Table A1.5 British Columbia Real Gross Domestic Product by Industry (at factor cost)¹

Year	Agriculture	Fishing and Trapping	Forestry and Logging	Mining	Manufacturing	Construction	Utilities	Transportation Communication and Storage	Wholesale and Retail Trade	Finance Insurance and Real Estate	Community Business and Personal Services	Public Administration and Defence	Total
(1992 \$ millions)													
1987	681	220	2,568	1,751	8,492	4,589	2,162	6,120	7,176	10,739	16,264	4,193	65,349
1988	778	257	2,504	1,938	8,852	4,799	2,125	6,513	7,524	11,107	17,373	4,238	68,480
1989	749	340	2,398	1,797	8,963	5,591	2,123	6,574	8,139	11,718	18,039	4,265	71,027
1990	762	390	2,127	1,810	8,347	5,785	2,255	6,592	8,173	12,460	18,957	4,439	72,236
1991	773	342	1,875	1,927	7,894	5,832	2,320	6,489	8,192	13,551	19,249	4,648	73,154
1992	793	311	1,970	1,716	8,058	5,877	2,267	6,718	8,785	13,289	19,735	4,813	75,332
1993	831	400	2,354	1,881	8,193	5,950	2,153	7,126	9,318	15,086	20,707	4,954	78,953
1994	808	307	2,392	2,025	8,264	6,366	2,170	7,681	9,842	15,972	21,780	5,022	82,628
1995	911	212	2,404	2,226	8,334	6,264	2,234	7,902	9,915	16,415	22,998	5,049	84,863
1996	907	202	2,245	2,276	8,273	6,103	2,427	8,057	10,379	16,966	23,672	5,038	86,547
1997	916	244	2,091	2,360	8,427	6,522	2,346	8,247	10,833	17,659	24,099	4,984	88,727
1998	951	203	2,008	2,522	8,396	5,977	2,280	8,385	10,808	17,961	24,477	4,983	88,951

Growth Rate

Year	Agriculture	Fishing and Trapping	Forestry and Logging	Mining	Manufacturing	Construction	Utilities	Transportation Communication and Storage	Wholesale and Retail Trade	Finance Insurance and Real Estate	Community Business and Personal Services	Public Administration and Defence	Total
(per cent)													
1988	14.2	17.0	-2.5	10.7	4.2	4.6	-1.7	6.4	4.8	3.4	6.8	1.1	4.8
1989	-3.7	32.1	-4.2	-7.3	1.3	16.5	-0.1	0.9	8.2	5.5	3.8	0.6	3.7
1990	1.7	14.8	-11.3	0.7	-6.9	3.5	6.2	0.3	0.4	6.3	5.1	4.1	1.7
1991	1.4	-12.3	-11.8	6.5	-5.4	0.8	2.9	-1.6	0.2	8.8	1.5	4.7	1.3
1992	2.7	-9.1	5.1	-11.0	2.1	0.8	-2.3	3.5	7.2	-1.9	2.5	3.5	3.0
1993	4.8	28.6	19.5	9.6	1.7	1.2	-5.0	6.1	6.1	13.5	2.5	2.9	4.8
1994	-2.7	-23.4	1.6	7.6	0.9	7.0	0.8	7.8	5.6	5.9	4.9	1.4	4.7
1995	12.7	-30.9	0.5	9.9	0.9	-1.6	2.9	2.9	0.7	2.8	5.2	0.5	2.7
1996	-0.4	-4.5	-6.6	2.2	-0.7	-2.6	8.6	2.0	4.7	3.4	5.6	-0.2	2.0
1997	0.9	20.6	-6.9	3.7	1.9	6.9	-3.3	2.4	4.4	4.1	2.9	-1.1	2.5
1998	3.9	-16.7	-3.9	6.9	-0.4	-8.4	-2.8	1.7	-0.2	1.7	1.8	0.0	0.3

Share

Year	Agriculture	Fishing and Trapping	Forestry and Logging	Mining	Manufacturing	Construction	Utilities	Transportation Communication and Storage	Wholesale and Retail Trade	Finance Insurance and Real Estate	Community Business and Personal Services	Public Administration and Defence	Total
(per cent)													
1988	1.1	0.4	3.7	2.8	12.9	7.0	3.1	9.5	11.0	16.2	25.4	6.2	100
1989	1.1	0.5	3.4	2.5	12.6	7.9	3.0	9.3	11.5	16.5	25.4	6.0	100
1990	1.1	0.5	2.9	2.5	11.6	8.0	3.1	9.1	11.3	17.2	26.2	6.1	100
1991	1.1	0.5	2.6	2.6	10.8	8.0	3.2	8.9	11.2	18.5	26.3	6.4	100
1992	1.1	0.4	2.6	2.3	10.7	7.8	3.0	8.9	11.7	17.6	25.6	6.4	100
1993	1.1	0.5	3.0	2.4	10.4	7.5	2.7	9.0	11.8	19.1	25.0	6.3	100
1994	1.0	0.4	2.9	2.5	10.0	7.7	2.6	9.3	11.9	19.3	25.1	6.1	100
1995	1.1	0.2	2.8	2.6	9.8	7.4	2.6	9.3	11.7	19.3	25.7	6.0	100
1996	1.0	0.2	2.6	2.6	9.6	7.1	2.8	9.3	12.0	19.6	26.6	5.8	100
1997	1.0	0.3	2.4	2.7	9.5	7.4	2.6	9.3	12.2	19.9	26.7	5.6	100
1998	1.1	0.2	2.3	2.8	9.4	6.7	2.6	9.4	12.2	20.2	27.1	5.6	100

¹ At the time of writing, Statistics Canada has not yet released estimates of gross domestic product (GDP) by industry for 1999.

Note: GDP at factor cost equals GDP at market prices less indirect taxes net of subsidies.

In addition, constant dollar totals for years prior to 1991 do not sum to the published total because they include an adjustment which compensates for changes in the base year used to calculate real GDP.

Source: Statistics Canada.

Table A1.6 British Columbia Nominal Gross Domestic Product (at market prices)¹

Expenditure Based

Year	Consumer Expenditure			Current Government Expenditure	Government Investment ²	Business Investment				Net Exports	Statistical Discrepancy	Total GDP Expenditure or Income
	Durable Goods	Semi and Non-Durable Goods	Services			Residential Structures	Non-Residential Structures	Machinery and Equipment	Inventories			
(\$ millions)												
1992 ⁴	6,431	17,879	31,060	19,078	2,457	8,816	3,580	4,662	(55)	(6,172)	(670)	87,066
1993	6,813	19,146	33,005	19,692	2,250	9,593	3,487	4,695	375	(4,100)	(1,405)	93,822
1994	7,600	20,058	34,987	20,630	3,071	9,888	4,633	5,541	844	(7,258)	155	100,149
1995	8,102	20,942	36,514	21,168	2,837	8,529	4,740	5,665	1,084	(4,703)	441	105,319
1996	8,348	21,460	38,849	22,176	3,064	8,441	4,377	5,430	96	(4,286)	79	108,034
1997	9,147	22,327	41,351	22,493	2,535	8,924	5,379	6,349	1,027	(9,035)	629	111,126
1998	8,924	22,434	42,676	22,752	2,841	7,865	4,824	6,173	1,318	(10,106)	1,247	110,948

Growth Rate

Year	Consumer Expenditure			Current Government Expenditure	Government Investment ²	Business Investment				Net Exports	Statistical Discrepancy	GDP Expenditure or Income
	Durable Goods	Semi and Non-Durable Goods	Services			Residential Structures	Non-Residential Structures	Machinery and Equipment	Inventories			
(per cent)												
1992.....	—	—	—	—	—	—	—	—	—	—	—	—
1993.....	5.9	7.1	6.3	3.2	2.6	8.8	-2.6	0.7	—	—	—	7.8
1994.....	11.6	4.8	6.0	4.8	21.9	3.1	32.9	18.0	—	—	—	6.7
1995.....	6.6	4.4	4.4	2.6	-7.6	-13.7	2.3	2.2	—	—	—	5.2
1996.....	3.0	2.5	6.4	4.8	8.0	-1.0	-7.7	-4.1	—	—	—	2.6
1997.....	9.6	4.0	6.4	1.4	-17.3	5.7	22.9	16.9	—	—	—	2.9
1998.....	-2.4	0.5	3.2	1.2	12.1	-11.9	-10.3	-2.8	—	—	—	-0.2

Share

Year	Consumer Expenditure			Current Government Expenditure	Government Investment ²	Business Investment				Net Exports	Statistical Discrepancy	GDP Expenditure or Income
	Durable Goods	Semi and Non-Durable Goods	Services			Residential Structures	Non-Residential Structures	Machinery and Equipment	Inventories			
(per cent)												
1992.....	7.4	20.5	35.7	21.9	2.8	10.1	4.1	5.4	-0.1	-7.1	-0.8	100
1993.....	7.3	20.4	35.2	21.0	2.7	10.2	3.7	5.0	0.4	-4.4	-1.5	100
1994.....	7.6	20.0	34.9	20.6	3.1	9.9	4.6	5.5	0.8	-7.2	0.2	100
1995.....	7.7	19.9	34.7	20.1	2.7	8.1	4.5	5.4	1.0	-4.5	0.4	100
1996.....	7.7	19.9	36.0	20.5	2.8	7.8	4.1	5.0	0.1	-4.0	0.1	100
1997.....	8.2	20.1	37.2	20.2	2.3	8.0	4.8	5.7	0.9	-8.1	0.6	100
1998.....	8.0	20.2	38.5	20.5	2.6	7.1	4.3	5.6	1.2	-9.1	1.1	100

¹ At the time of writing, Statistics Canada has not yet released estimates of gross domestic product (GDP) at market prices for 1999.

² Includes investment in structures, machinery and equipment, and inventories.

³ MII: Miscellaneous Investment Income.

⁴ Data for the period 1981-1991 were released by Statistics Canada July 19, 2000. Contact BC Stats for more information.

Source: Statistics Canada.

Income Based

Labour Income	Corporation Profits	Interest and MIP ¹	Accrued Net Income of Farm Operators	Net Income of Non-Farm Unincorporated Business	Inventory Valuation Adjustment	Capital Consumption Allowances	Indirect Taxes Less Subsidies	Statistical Discrepancy	Year
(\$ millions)									
48,924	3,256	7,582	112	5,562	(616)	10,337	11,239	670	1992
51,312	4,194	8,028	127	6,032	(843)	10,963	12,602	1,407	1993
53,972	6,593	8,637	54	6,663	(660)	11,694	13,351	(155)	1994
56,768	7,315	8,796	89	6,755	(167)	12,473	13,731	(441)	1995
58,406	7,037	8,600	81	7,065	(211)	13,080	14,055	(79)	1996
60,505	7,041	8,188	103	7,545	64	13,577	14,733	(630)	1997
60,904	6,412	8,085	243	7,813	(34)	14,042	14,730	(1,247)	1998

Growth Rate

Labour Income	Corporation Profits	Interest and MIP ¹	Accrued Net Income of Farm Operators	Net Income of Non-Farm Unincorporated Business	Inventory Valuation Adjustment	Capital Consumption Allowances	Indirect Taxes Less Subsidies	Statistical Discrepancy	Year
(per cent)									
—	—	—	—	—	—	—	—	—	1992
4.9	28.8	5.9	13.4	8.5	—	6.1	12.1	—	1993
5.2	57.2	7.6	-57.5	10.5	—	6.7	5.9	—	1994
5.2	11.0	1.8	64.8	1.4	—	6.7	2.8	—	1995
2.9	-3.8	-2.2	-9.0	4.6	—	4.9	2.4	—	1996
3.6	0.1	-4.8	27.2	6.8	—	3.8	4.8	—	1997
0.7	-8.9	-1.3	135.9	3.6	—	3.4	0.0	—	1998

Share

Labour Income	Corporation Profits	Interest and MIP ¹	Accrued Net Income of Farm Operators	Net Income of Non-Farm Unincorporated Business	Inventory Valuation Adjustment	Capital Consumption Allowances	Indirect Taxes Less Subsidies	Statistical Discrepancy	Year
(per cent)									
56.2	3.7	8.7	0.1	6.4	-0.7	11.9	12.9	0.8	1992
54.7	4.5	8.6	0.1	6.4	-0.9	11.7	13.4	1.5	1993
53.9	6.6	8.6	0.1	6.7	-0.7	11.7	13.3	-0.2	1994
53.9	6.9	8.4	0.1	6.4	-0.2	11.8	13.0	-0.4	1995
54.1	6.5	8.0	0.1	6.5	-0.2	12.1	13.0	-0.1	1996
54.4	6.3	7.4	0.1	6.8	0.1	12.2	13.3	-0.6	1997
54.9	5.8	7.3	0.2	7.0	0.0	12.7	13.3	-1.1	1998

Table A1.7 British Columbia Real Gross Domestic Product (at market prices)¹

Year	Consumer Expenditure			Current Government Expenditure	Government Investment ²	Business Investment				Net Exports	Statistical Discrepancy	Total GDP Expenditure
	Durable Goods	Semi and Non-Durable Goods	Services			Residential Structures	Non-Residential Structures	Machinery and Equipment	Inventories			
(1992 \$ millions)												
1992 ³	6,431	17,879	31,060	19,078	2,457	8,816	3,580	4,662	(55)	(6,172)	(670)	87,066
1993	6,645	18,634	31,804	19,368	2,490	9,057	3,390	4,597	412	(4,489)	(1,365)	90,543
1994	7,186	19,333	32,964	19,460	2,972	9,134	4,364	5,245	759	(8,207)	145	93,355
1995	7,500	19,862	33,825	19,161	2,683	8,042	4,376	5,421	758	(6,661)	403	95,370
1996	7,684	20,203	35,384	19,692	2,914	8,177	4,041	5,378	109	(5,866)	72	97,788
1997	8,371	20,615	36,958	19,639	2,408	8,767	4,830	6,400	878	(9,959)	560	99,467
1998	8,297	20,726	37,519	19,593	2,731	7,860	4,231	6,337	1,142	(9,863)	1,135	99,708

Growth Rate

Year	Consumer Expenditure			Current Government Expenditure	Government Investment ¹	Business Investment				Net Exports	Statistical Discrepancy	Total GDP Expenditure
	Durable Goods	Semi and Non-Durable Goods	Services			Residential Structures	Non-Residential Structures	Machinery and Equipment	Inventories			
(per cent)												
1992	—	—	—	—	—	—	—	—	—	—	—	—
1993	3.3	4.2	2.4	1.5	1.3	2.7	-5.3	-1.4	—	—	—	4.0
1994	8.1	3.8	3.6	0.5	19.4	0.9	28.7	14.1	—	—	—	3.1
1995	4.4	2.7	2.6	-1.5	-9.7	-12.0	0.3	3.4	—	—	—	2.2
1996	2.5	1.7	4.6	2.8	8.6	1.7	-7.7	-0.8	—	—	—	2.5
1997	8.9	2.0	4.4	-0.3	-17.4	7.2	19.5	19.0	—	—	—	1.7
1998	-0.9	0.5	1.5	-0.2	13.4	-10.3	-12.4	-1.0	—	—	—	0.2

Share

Year	Consumer Expenditure			Current Government Expenditure	Government Investment ¹	Business Investment				Net Exports	Statistical Discrepancy	Total GDP Expenditure
	Durable Goods	Semi and Non-Durable Goods	Services			Residential Structures	Non-Residential Structures	Machinery and Equipment	Inventories			
	(per cent)											
1992.....	7.4	20.5	35.7	21.9	2.8	10.1	4.1	5.4	-0.1	-7.1	-0.8	100
1993.....	7.3	20.6	35.1	21.4	2.8	10.0	3.7	5.1	0.5	-5.0	-1.5	100
1994.....	7.7	20.7	35.3	20.8	3.2	9.8	4.7	5.6	0.8	-8.8	0.2	100
1995.....	7.9	20.8	35.5	20.1	2.8	8.4	4.6	5.7	0.8	-7.0	0.4	100
1996.....	7.9	20.7	36.2	20.1	3.0	8.4	4.1	5.5	0.1	-6.0	0.1	100
1997.....	8.4	20.7	37.2	19.7	2.4	8.8	4.9	6.4	0.9	-10.0	0.6	100
1998.....	8.3	20.8	37.6	19.7	2.7	7.9	4.2	6.4	1.1	-9.9	1.1	100

¹ At the time of writing, Statistics Canada has not yet released estimates of gross domestic product (GDP) at market prices for 1999.

² Includes investment in structures, machinery and equipment, and inventories.

³ Data for the period 1981-1991 were released by Statistics Canada July 19, 2000. Contact BC Stats for more information.

Source: Statistics Canada.

Table A1.8 Employment by Industry in British Columbia

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	(thousands)												
Total — all industries	1,375	1,435	1,509	1,555	1,573	1,620	1,676	1,754	1,792	1,821	1,869	1,870	1,906
Primary industries	82	81	88	82	84	79	79	80	81	85	88	84	78
Agriculture	32	31	33	29	32	31	34	31	26	30	33	33	29
Forestry	25	26	27	26	28	27	26	31	36	32	33	30	30
Fishing and trapping	6	6	7	7	7	5	6	6	5	5	5	4	4
Mining	19	18	20	19	18	16	12	12	14	18	17	17	15
Manufacturing	158	167	178	176	169	168	179	184	189	195	197	196	192
Food, beverages and tobacco	24	23	21	21	22	21	22	27	22	24	26	26	22
Wood products	45	41	48	47	42	46	49	50	43	44	45	44	42
Paper	17	21	25	20	20	21	22	21	24	23	23	23	22
Printing and related support activities	8	8	8	7	6	9	8	9	9	12	10	8	9
Primary metals	9	10	9	10	9	7	8	9	12	12	9	9	9
Metal fabrication	9	11	10	10	11	10	9	9	10	9	11	11	12
Transportation equipment	10	8	10	10	9	8	7	8	9	9	13	13	13
Other manufacturing	37	45	48	52	49	47	55	51	60	63	62	64	63
Construction	82	94	111	120	112	114	114	126	125	120	123	118	115
General contractors	34	43	46	47	47	43	42	47	44	42	39	37	42
Special trade contractors	48	51	64	72	65	72	72	78	82	77	84	81	74
Utilities	10	10	11	13	13	11	12	13	11	11	10	11	12
Transportation and warehousing	88	89	91	91	95	101	101	99	97	99	109	106	118
Transportation	85	86	88.4	89	92	99	95	96	93	96	103	103	114
Warehousing and storage	*	4	*	*	*	*	5	*	4	4	6	*	4
Trade	234	247	251	263	258	265	275	289	300	294	302	294	309
Wholesale trade	53	51	53	53	54	60	64	64	66	68	71	62	80
Retail trade	181	195	198	210	204	205	211	226	234	226	230	233	229
Finance, insurance, real estate and leasing	86	93	96.5	100	101	109	114	118	118	124	127	123	120
Finance	39	46	46	42	42	42	47	48	48	51	56	53	54
Insurance	17	14	17	20	25	24	22	25	22	24	27	24	23
Real Estate	24	27	26	33	26	35	35	35	38	39	33	38	34
Leasing	7	6	8	5	8	9	10	10	10	10	11	8	10
Service industries	551	574	601	621	649	674	700	746	769	787	814	845	873
Education and related services	86	87	86	89	98	106	113	120	123	118	122	120	128
Health and welfare services	125	130	139	148	155	163	164	171	177	183	190	195	195
Information, culture and recreation	64	65	68	68	67	65	67	79	86	85	89	94	92
Services to business management	103	115	120	125	131	127	142	154	157	166	175	190	201
Accommodation and food services	98	104	111	116	123	131	121	129	135	143	145	152	153
Miscellaneous services	75	73	76	76	75	82	92	93	91	92	93.2	94	105
Public administration	84	81	83	89	92	99	101	100	104	107	100	93	90
Federal administration	28	28	29	32	37	35	34	33	33	37	34	29	32
Provincial administration	28	26	25	27	24	33	30	34	38	36	32	29	28
Local administration	28	27	29	30	31	32	38	33	34	34	34	35	31

Note: An asterisk (*) indicates employment of less than 4,000 people.

Source: Statistics Canada, Labour Force Survey (unpublished data).

Table A1.9 Labour Force Characteristics by Region (1999)

	Region 1 Vancouver Island/Coast	Region 2 Mainland/ Southwest	Region 3 Thompson/ Okanagan	Region 4 Kootenay	Region 5 Cariboo	Regions 6 and 7 North Coast and Nechako	Region 8 Northeast
Population 15+ (000s).....	560.6	1,878.0	375.6	122.6	133.2	75.1	47.7
Labour force (000s).....	357.6	1,236.8	229.4	76.4	93.9	51.2	33.8
Employment (000s).....	329.1	1,140.1	207.1	69.5	82.9	46.7	30.8
Unemployment (000s).....	28.5	96.7	22.3	6.9	10.9	4.5	3.0
Unemployment rate (per cent)	8.0	7.8	9.7	9.0	11.6	8.8	8.9
Participation rate (per cent)	63.8	65.9	61.1	62.3	70.5	68.2	70.9
Employment rate (per cent)	58.7	60.7	55.1	56.7	62.2	62.2	64.6

Source: Statistics Canada.

Table A1.10 Capital Investment by Industry¹

	Actual 1998	Actual 1999	Revised Intentions 2000	Change 1998-1999	Change 1999-2000
	(\$ millions)			(per cent)	
Agriculture, forestry, fishing and hunting.....	413.9	385.5	440.9	-6.9	14.4
Mining, oil and gas extraction	1,714.4	1,375.8	1,752.0	-19.8	27.3
Utilities.....	896.8	963.5	972.5	7.4	0.9
Construction.....	291.7	298.0	340.2	2.2	14.2
Manufacturing.....	1,131.0	1,169.0	1,295.7	3.4	10.8
Wholesale trade.....	216.4	219.1	176.6	1.2	-19.4
Retail trade.....	526.2	555.6	579.9	5.6	4.4
Transportation and warehousing.....	1,726.5	2,266.2	2,576.6	31.3	13.7
Information and cultural industries.....	n/a	1,019.0	1,222.7	—	20.0
Finance and insurance.....	1,502.7	1,684.6	1,461.2	12.1	-13.3
Real estate, rental and leasing.....	1,342.7	1,440.7	1,288.2	7.3	-10.6
Education.....	450.6	450.2	584.2	-0.1	29.8
Health care and social assistance.....	208.6	277.0	308.5	32.8	11.4
Accommodation and food services.....	280.5	247.4	214.7	-11.8	-13.2
Other services.....	1,671.6	654.5	681.0	-60.8	4.0
Public administration.....	1,649.5	1,112.2	2,173.2	28.1	2.9
Housing.....	6,032.1	5,569.3	5,716.1	-7.7	2.6
Total.....	20,055.2	20,687.6	21,784.3	3.2	5.3
Public investment.....	3,559.0	4,311.2	4,773.5	21.1	10.7
Private investment.....	16,496.2	16,376.5	17,010.7	-0.7	3.9
Total.....	20,055.2	20,687.6	21,784.3	3.2	5.3
Machinery and equipment.....	7,268.8	7,759.6	7,555.7	6.8	-2.6
Construction.....	12,786.5	12,928.0	14,228.6	1.1	10.1
Total.....	20,055.3	20,687.6	21,784.3	3.2	5.3

¹ Includes professional, scientific and technical services, management of companies, administrative, waste management and remediation, arts, entertainment and recreation, and other services.

Source: Statistics Canada.

Table A1.11 British Columbia International Goods Exports by Major Market and Selected Commodities, 1999

Commodity	U.S.	Japan	European Union ¹	Other Markets	Total — All Countries
	(\$ millions)				
Solid wood products.....	7,562	1,986	318	237	10,102
Lumber (softwood).....	5,250	1,548	268	209	7,274
Cedar shakes and shingles.....	284	0	3	2	289
Selected value-added wood products.....	1,027	107	9	8	1,152
Plywood (softwood).....	115	114	35	2	267
Other.....	886	216	2	15	1,120
Pulp and paper products.....	2,413	650	1,002	1,341	5,407
Pulp.....	809	473	919	1,092	3,293
Newsprint.....	505	159	3	87	753
Paper, paperboard — excluding newsprint.....	1,004	17	80	151	1,252
Other.....	95	2	1	11	109
Agriculture and food other than fish.....	797	156	33	174	1,159
Fruit and nuts.....	102	9	1	12	124
Vegetables.....	147	15	7	6	174
Other.....	548	133	25	156	861
Fish products.....	531	173	45	94	842
Whole fish; fresh, chilled, frozen — excluding salmon.....	106	34	4	6	150
Whole salmon; fresh, chilled, frozen.....	258	25	3	7	292
Salmon; canned, smoked, etc.....	4	3	37	12	55
Other.....	164	112	1	69	345
Metallic mineral products.....	564	532	19	241	1,355
Copper ores and concentrates.....	0	156	0	43	199
Molybdenum ores and concentrates.....	8	15	17	2	42
Unwrought aluminum.....	131	292	0	90	513
Unwrought zinc.....	353	10	0	90	453
Other.....	72	58	2	16	147
Energy products.....	1,957	605	232	421	3,215
Natural gas.....	1,292	0	0	0	1,292
Coal.....	33	604	232	420	1,288
Electricity.....	471	0	0	0	471
Other.....	162	1	0	1	164
Machinery and equipment.....	3,084	81	170	279	3,615
Motor vehicles and parts.....	956	11	5	36	1,008
Electrical/electronic/communications.....	464	45	45	83	638
Other.....	1,664	25	121	159	1,969
Plastics and articles of plastic.....	353	4	4	12	373
Apparel and accessories.....	241	4	2	1	248
All other commodities.....	1,897	94	52	334	2,378
Total.....	<u>19,400</u>	<u>4,284</u>	<u>1,877</u>	<u>3,133</u>	<u>28,694</u>

¹ Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and the United Kingdom.

Source: BC Stats, Ministry of Finance and Corporate Relations.

Table A1.12 British Columbia International Goods Exports to Major Countries and Market Areas

	1995	1996	1997	1998	1999	Change 1998-1999	Per Cent of Total 1998 1999	
	(\$ millions)					(per cent)		
United Kingdom.....	386	336	289	302	283	-6.5	1.2	1.0
Germany.....	694	404	476	395	298	-24.6	1.5	1.0
People's Republic of China.....	499	514	456	465	588	26.4	1.8	2.0
Hong Kong.....	271	258	352	272	257	-5.5	1.0	0.9
Taiwan.....	482	354	457	400	361	-9.6	1.5	1.3
Japan.....	6,768	6,403	6,004	4,549	4,284	-5.8	15.5	14.9
South Korea.....	982	866	954	678	753	11.1	2.6	2.6
India.....	77	50	65	85	57	-32.5	0.3	0.2
Australia.....	298	243	236	226	209	-7.7	0.9	0.7
Mexico.....	54	50	62	61	41	-32.2	0.2	0.1
United States.....	13,293	13,883	14,864	16,375	19,400	18.5	62.9	67.6
Other.....	3,108	2,380	2,556	2,237	2,162	-3.3	8.6	7.5
Total.....	26,911	25,742	26,771	26,045	28,694	10.2	100.0	100.0
Market areas:								
Western Europe ¹	2,944	1,978	2,102	2,040	1,911	-6.3	7.8	6.7
Pacific Rim ²	9,862	9,226	9,027	6,970	6,876	-1.4	26.8	24.0

¹ Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

² Australia, Brunei, Darussalam, China, Fiji, Hong Kong, Indonesia, Japan, Laos, Macau, Malaysia, Mongolia, New Zealand, North Korea, Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam.

Source: BC Stats, Ministry of Finance and Corporate Relations.

Table A1.13 Historical Commodity Prices (in U.S. Dollars)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Change 1998-1999
	(\$ U.S.)											(per cent)
Metals												
Copper (London; \$/lb).....	1.29	1.21	1.07	1.04	0.87	1.05	1.33	1.04	1.03	0.75	0.72	-4.0
Lead (London; \$/lb).....	0.30	0.37	0.25	0.24	0.19	0.25	0.29	0.35	0.28	0.24	0.23	-4.2
Zinc (London; \$/lb).....	0.75	0.69	0.51	0.56	0.43	0.45	0.47	0.47	0.60	0.47	0.49	4.3
Gold (London; \$/troy oz).....	381.32	383.94	361.74	344.18	360.29	384.18	384.27	387.78	331.23	294.78	278.99	-5.4
Silver (London; \$/troy oz).....	5.49	4.65	4.04	3.95	4.31	5.28	5.20	5.08	4.91	5.57	5.23	-6.1
Molybdenum (weekly average price from MetalPrices.com; \$/lb).....	3.17	2.58	2.13	1.92	2.28	4.61	7.46	3.80	4.34	3.45	2.70	-21.7
Aluminum (London; \$/lb).....	0.96	0.76	0.61	0.59	0.54	0.70	0.82	0.67	0.72	0.62	0.62	0.0
Forest products												
Lumber (Madison's Lumber Reporter; WSPF, \$/1000 bd ft).....	185	188	189	227	337	343	251	352	353	286	341	19.3
Pulp (Northern Europe; \$/tonne, transaction price).....	833	812	572	563	433	572	888	591	567	516	522	1.3
Newsprint (Pulp and Paper Week; \$/tonne).....	559	558	543	432	441	463	674	645	560	595	513	-13.8
Hemlock baby squares (Madison's Lumber Reporter; 3 1/8").....	—	—	—	—	—	852	862	796	822	555	584	5.2
Other												
Oil (West Texas Intermediate; \$/barrel).....	19.65	24.51	21.34	20.63	18.37	17.28	18.38	21.95	20.68	14.46	19.33	33.7
Natural gas (Sumas; \$/MmBTU).....	—	—	—	—	1.87	1.60	1.03	1.35	1.71	1.61	2.15	33.5

Source: Ministry of Finance and Corporate Relations.

Table A1.14 Historical British Columbia Farm Cash Receipts¹

Year	Crops			Livestock			Other	Total
	Floriculture and Nursery	Fruits and Vegetables including Potatoes	Grain and Other Crops	Dairy Products	Poultry and Eggs	Other Livestock and Products		
	(\$ millions)							
1985.....	76	210	66	228	153	247	80	1,061
1986.....	92	222	50	232	159	267	85	1,106
1987.....	101	231	52	231	170	284	52	1,122
1988.....	143	234	76	237	177	257	83	1,206
1989.....	155	236	74	243	198	273	76	1,255
1990.....	195	210	71	250	214	294	64	1,299
1991.....	203	248	73	258	216	279	63	1,340
1992.....	191	293	82	260	217	318	67	1,427
1993.....	198	274	94	268	234	342	42	1,452
1994.....	207	305	127	282	255	337	30	1,543
1995.....	217	366	147	292	268	283	25	1,599
1996.....	263	356	153	306	307	294	32	1,712
1997.....	288	356	125	323	297	336	34	1,758
1998.....	301	387	126	333	305	344	34	1,831
1999 ²	307	437	134	340	307	379	41	1,945

¹ Farm cash receipts exclude inter-farm sales within the province and on-farm use of own products.

² Preliminary.

Note: All data have been revised as a result of benchmarking to the 1996 Census of Agriculture.

Source: Statistics Canada.

Table A1.15 Historical British Columbia Fish Production

Year	Total Landed Value ¹	Wholesale Value ²					Total Wholesale
		Salmon ³	Halibut ⁴	Herring	Ground-fish ⁵	Shellfish ⁶	
(\$ millions)							
1989.....	513	659	27	158	98	72	1,015
1990.....	559	649	28	169	117	69	1,032
1991.....	492	499	29	147	130	72	877
1992.....	533	496	24	137	133	117	907
1993.....	605	605	38	172	123	120	1,058
1994.....	735	647	53	194	130	138	1,162
1995 ⁷	587	501	46	208	131	149	1,034
1996 ⁷	589	448	51	191	125	159	973
1997 ⁷	604	536	59	117	133	158	1,018
1998 ⁷	547	472	71	108	140	153	960
1999 ⁸	614	498	59	119	158	159	1,005

¹ Landed value is the value of raw fish landed at the dock.

² Wholesale value includes the value of fish wholly or partially processed, and raw fish sold through brokers.

³ Includes salmon aquaculture production and production derived from U.S. salmon.

⁴ Includes halibut landings at U.S. ports by British Columbia fish harvesters.

⁵ Includes hake landings to foreign vessels, plus minor fish species not listed.

⁶ Includes farmed shellfish.

⁷ Preliminary.

⁸ Estimate.

Note: Totals may not add due to rounding.

Sources: Ministry of Fisheries.

Table A1.16 Volume of Mature Timber as of December 1999

Species	Coast Volume	Per Cent of Coast	Interior Volume	Per Cent of Interior	Total Volume	Per Cent of Total
	(million cubic metres)		(million cubic metres)		(million cubic metres)	
Lodgepole pine	15	0.5	2,257	31.9	2,272	23.3
Spruce	86	3.1	1,965	27.7	2,051	21.0
Hemlock	1,291	47.0	506	7.1	1,798	18.4
Balsam	268	9.7	1,025	14.5	1,293	13.2
Cedar	715	26.0	124	1.8	839	8.6
Douglas fir	313	11.4	590	8.3	903	9.2
Deciduous	60	2.2	498	7.0	558	5.7
Other coniferous	—	—	50	0.7	50	0.5
Total	2,747	100.0	7,086	100.0	9,763	100.0

Note: Total of timber supply areas and tree farm licences. Mature volumes represent gross volumes less decay, waste and breakage.
Source: Ministry of Forests.

Table A1.17 Forest Sector Economic Activity Indicators

Indicator	1995	1996	1997	1998	1999	Change ¹ 1998-1999
Wood production	(million cubic metres)					(per cent)
Timber harvest ²	76.5	75.2	68.6	65.0	76.0	16.9
Lumber	32.6	32.7	31.6	30.2	31.8	5.3
Plywood	1.52	1.48	1.48	1.39	1.54	10.79
Timber scaled by species						
Lodgepole pine	18.3	20.4	18.5	17.7	22.0	24.3
Spruce	13.6	14.2	12.0	12.3	12.5	1.6
Hemlock	12.8	10.9	10.0	8.4	10.5	25.0
Douglas fir	8.2	8.3	8.3	8.4	11.0	31.0
Balsam	11.4	10.6	9.2	8.0	8.8	10.0
Cedar	7.3	6.5	6.3	6.1	6.6	8.2
All others	4.9	4.3	4.3	4.1	4.6	12.2
Total ³	76.5	75.2	68.6	65.0	76.0	16.9
Pulp and paper production	(million tonnes)					
Market pulp	7.61	7.20	7.18	7.03	8.01	13.9
Newsprint, paper and paperboard	4.57	4.39	4.53	4.46	5.00	12.1
Newsprint, paper and paperboard	2.84	2.81	2.65	2.57	3.02	17.5
Industrial product price indices	(1992=100)					
Softwood lumber — British Columbia	136.1	159.6	167.8	145.3	167.8	15.5
Douglas fir plywood	131.5	133.1	131.9	121.9	144.3	18.4
Bleached sulphate pulp for export	182.8	121.9	117.3	114.7	116.7	1.7
Newsprint for export	150.7	155.9	135.0	150.6	129.9	-13.7

¹ Percentage change based on unrounded numbers.

² Figures include volumes billed during the year. Waste volumes billed in 1996 - 1999 are not included in the above totals to allow comparability with previous years.

³ Total may not add due to rounding.

Sources: Ministry of Forests.

Lumber and plywood production — Statistics Canada.

Pulp and paper production — Canadian Pulp and Paper Association.

Industrial product price indices — Statistics Canada.

Table A1.18 Mineral Production, 1998 and 1999

Unit	1998		1999 ¹	
	Quantity	Value	Quantity	Value
	(thousands)	(\$ millions)	(thousands)	(\$ millions)
Metals				
Copper..... (kilograms)	227,541	681.4	182,543	428.4
Gold..... (grams)	21,583	302.9	24,955	337.3
Lead..... (kilograms)	30,792	24.1	40,041	30.1
Molybdenum..... (kilograms)	8,099	98.8	6,293	75.7
Silver..... (grams)	457,410	120.8	496,667	125.6
Zinc..... (kilograms)	152,245	231.4	125,490	200.4
Other.....	—	24.8	—	25.1
Total.....	—	1,484.2	—	1,222.6
Industrial minerals				
Barite..... (tonnes)	—	3.9	—	2.5
Sulphur in smelter gas..... (tonnes)	74	4.9	74	5.5
Others.....	—	40.5	—	41.7
Total.....	—	49.3	—	49.7
Structural materials				
Cement..... (tonnes)	1,728	172.0	1,679	171.6
Sand and gravel..... (tonnes)	31,908	161.1	33,558	163.4
Stone..... (tonnes)	6,321	47.0	6,156	47.9
Other.....	—	24.1	—	27.8
Total.....	—	404.2	—	410.7
Coal				
Metallurgical..... (tonnes)	23,608	1,042.5	23,233	871.0
Thermal..... (tonnes)	1,668	45.4	1,577	43.9
Total coal..... (tonnes)	25,276	1,087.9	24,810	915.0
Total solid minerals.....	—	3,025.6	—	2,598.0

¹ Estimate.

Conversion table:

0.9072 tonnes = one ton.

0.4536 kilograms = one pound.

31.1035 grams = one troy ounce.

Source: Ministry of Energy and Mines.

Table A1.19 Historical Value of Metal Production

Year	Copper	Gold	Lead	Molybdenum	Silver	Zinc	Other	Total
(\$ millions)								
1988.....	1,117	229	74	116	113	212	14	1,876
1989.....	1,003	236	46	112	105	241	13	1,757
1990.....	985	232	16	88	115	103	6	1,546
1991.....	846	238	33	67	74	152	7	1,419
1992.....	892	219	42	55	53	171	5	1,438
1993.....	721	205	22	68	38	114	8	1,175
1994.....	797	206	43	113	29	157	9	1,354
1995.....	1,119	328	52	203	106	192	17	2,016
1996.....	725	306	53	100	109	215	29	1,537
1997.....	697	258	40	88	101	290	22	1,495
1998.....	681	304	24	82	119	231	21	1,464
1999 ^a	428	337	30	76	126	200	25	1,223

^a Estimate.

Source: Ministry of Energy and Mines.

Table A1.20 Historical Value of Mineral, Petroleum and Natural Gas Production

Year	Metals	Industrial Materials	Structural Materials	Coal	Crude Oil	Natural Gas to Pipeline	Other Oil and Gas	Total
(\$ millions)								
1988	1,876	111	258	979	206	477	53	3,960
1989	1,757	125	297	1,001	263	495	25	3,963
1990	1,559	119	313	980	319	537	43	3,870
1991	1,419	86	312	938	260	562	36	3,613
1992	1,438	45	305	749	260	592	38	3,427
1993	1,175	41	335	797	233	814	42	3,437
1994	1,354	47	370	905	235	991	44	3,946
1995	2,016	58	395	968	272	710	58	4,477
1996	1,537	42	398	1,110	441	817	75	4,420
1997	1,495	47	398	1,191	403	1,087	98	4,719
1998	1,484	49	404	1,088	304	1,175	82	4,587
1999 ^e	1,223	50	411	915	374	1,611	124	4,707

^e Estimate.

Source: Ministry of Energy and Mines.

Table A1.21 Petroleum and Natural Gas Activity Indicators

Indicator	Unit of Measure	1997	1998	1999	Change 1998-1999
					(per cent)
Natural gas production (wellhead) ¹	(billion cubic metres)	24.7	25.3	25.9	2.4
Crude oil and condensate	(million cubic metres)	2.6	2.8	2.4	-14.3
Wells authorized	(number)	845	694	829	19.5
Wells drilled	(number)	583	652	602	-7.7
Seismic crew-weeks	(number)	190	112	102	-8.9
Provincial reserves					
Marketable gas (remaining reserves)	(billion cubic metres)	230	226	237	4.9
Oil (remaining reserves)	(million cubic metres)	25	25	26	4.0

¹ Includes gas coming out of storage.

Source: Ministry of Energy and Mines; Oil and Gas Commission.

Table A1.22 Value of Manufacturing Shipments

Industry	1997	1998	1999	Per Cent of Total Manufacturing	Per Cent Change 1998-1999
	(\$ millions)		(per cent)		
Wood	11,474	10,239	12,201	33.0	19.2
Paper and allied products	5,674	5,790	6,397	17.3	10.5
Food	3,652	3,511	3,502	9.5	-0.2
Fabricated metal products	1,815	1,877	1,953	5.3	4.1
Refined petroleum and coal	1,374	1,251	1,391	3.8	11.2
Primary metals	1,071	1,021	1,015	2.7	-0.6
Transportation equipment	1,292	1,636	1,851	5.0	13.1
Machinery (except electrical)	1,108	1,153	1,193	3.2	3.4
Printing and Publishing	1,303	1,290	1,270	3.4	-1.5
Electrical and electrical products	1,201	1,378	1,229	3.3	-10.8
Chemicals and chemical products	1,015	983	945	2.6	-3.9
Non-metallic mineral products	993	986	964	2.6	-2.3
Beverages	775	765	791	2.1	3.5
Plastics	635	666	776	2.1	16.5
Clothing	265	296	333	0.9	12.7
Furniture and fixtures	242	276	323	0.9	17.4
Textile products	130	142	179	0.5	26.5
Other	565	631	681	1.8	11.6
Total	34,583	33,890	36,994	100.0	-2.0

Note: Based on the 1980 Standard Industrial Classification.
Source: Statistics Canada.

Table A1.23 Supply and Consumption of Electrical Energy in British Columbia

Year	Supply					Consumption	
	Net Generation		Total Provincial Generation	Receipts From Other Provinces and Imports	Total Provincial Supply	Delivered To Other Provinces and Exports	Total Provincial Consumption
	Hydro	Thermal					
	(gigawatt-hours ¹)						
1988.....	58,573	2,370	60,943	2,351	63,293	9,215	54,078
1989.....	51,082	6,573	57,655	4,500	62,155	6,583	55,572
1990.....	57,245	3,417	60,662	3,233	63,895	6,689	57,206
1991.....	60,149	2,832	62,981	2,272	65,253	7,725	57,528
1992.....	60,555	3,503	64,058	2,685	66,743	9,473	57,270
1993.....	53,057	5,716	58,774	5,691	64,465	5,605	58,860
1994.....	53,979	7,036	61,015	7,836	68,851	9,541	59,311
1995.....	49,814	8,192	58,006	6,385	64,391	3,972	60,419
1996.....	67,329	4,417	71,747	3,289	75,035	10,390	64,646
1997.....	61,733	4,960	66,693	4,316	71,009	12,114	58,895
1998.....	60,206	6,604	66,809	5,056	71,866	10,619	61,246
1999.....	61,374	6,615	67,989	7,088	75,077	13,024	62,053

¹ Gigawatt-hour=one million kilowatt-hours.
Source: Statistics Canada.

Table A1.24 British Columbia Retail Sales by Trade Group

Trade Group	1996	1997	1998	1999	Change 1998-1999
	(\$ millions)				(per cent)
Supermarkets and grocery stores.....	7,310	7,781	7,628	7,688	0.8
All other food stores.....	685	624	566	567	0.3
Drugs and patent medicine stores.....	1,648	1,776	1,686	1,792	6.3
Shoe stores.....	190	188	190	192	0.8
Men's clothing stores.....	193	199	187	182	-2.5
Women's clothing stores.....	533	542	530	537	1.3
Other clothing stores.....	680	769	784	845	7.8
Household furniture and appliance stores.....	1,429	1,486	1,446	1,504	4.0
Other household furnishings stores.....	364	418	402	431	7.2
Motor vehicle and recreation vehicle dealers.....	8,183	8,253	7,837	7,863	0.3
Gasoline service stations.....	2,167	2,442	2,405	2,325	-3.3
Automotive parts, accessories and services.....	1,429	1,635	1,646	1,731	5.2
General merchandise stores.....	3,481	3,715	3,772	3,976	5.4
Other semi-durable goods stores.....	1,232	1,220	1,138	1,133	-0.4
Other durable goods stores.....	917	1,035	1,125	1,137	1.1
Other retail stores.....	1,629	1,655	1,704	1,770	3.9
Total — all stores	32,071	33,736	33,045	33,672	1.9

Source: Statistics Canada.

Table A1.25 British Columbia Financial Activity Indicators

Indicator	Units	1997	1998	1999	Change 1998-1999
					(per cent)
Chartered banks					
Employees (July).....	(number)	26,520	25,925	25,900	-0.1
Branches (October).....	(number)	925	945	969	2.5
Automated banking machines (October).....	(number)	2,067	2,165	2,321	7.2
Business loans outstanding (December) ¹	(\$ millions)	14,323	14,708	14,114	-4.0
Personal loans outstanding (December).....	(\$ millions)	13,866	13,058	14,377	10.1
Credit unions (December)					
Credit unions.....	(number)	96	86	78	-9.3
Members.....	(thousands)	1,414	1,423	1,435	0.9
Total assets.....	(\$ millions)	20,366	21,344	22,178	3.9
Bloomberg British Columbia Stock Index					
annual close.....	Dec 1994 = 100	n/a	107.4	121.9	13.5

¹Excludes agricultural loans.

Sources: Chartered Banks — Canadian Bankers' Association and Bank of Canada.

Credit Unions — Credit Union Central of B.C.

Stock Index — Bloomberg.

Table A1.26 British Columbia Real Estate Market Indicators

Indicator	1996	1997	1998	1999	Change 1998-1999
					(per cent)
Housing starts (number)					
Single-detached.....	12,447	12,911	8,691	8,731	0.5
Semi-detached.....	1,528	1,979	1,218	816	-33.0
Row.....	3,364	3,469	2,117	1,444	-31.8
Apartment and other.....	10,302	10,992	7,905	5,318	-32.7
Total.....	<u>27,641</u>	<u>29,351</u>	<u>19,931</u>	<u>16,309</u>	-18.2
Multiple listing service activity					
Sales of listed homes (number)	72,182	68,182	52,910	58,084	9.8
Average price (dollars).....	218,789	219,962	212,144	215,043	1.4
Apartment vacancy rates ¹ (per cent)					
Vancouver.....	1.1	1.7	2.7	2.6	—
Victoria.....	2.6	3.4	3.8	3.5	—
Kamloops.....	3.2	4.7	9.1	8.2	—
Kelowna.....	4.0	3.9	4.4	2.1	—
Prince George.....	4.5	5.6	12.2	16.0	—
Cranbrook.....	10.8	10.9	12.5	9.2	—

¹ October vacancy rate survey.

Sources: Canada Mortgage and Housing Corporation; Canadian Real Estate Association.

Table A1.27 British Columbia Tourism Revenue and Overnight Visitors

Origin	Revenue		Revenue Change	Overnight Visitors		Visitor Change
	1998	1999 ¹	1998-1999	1998	1999 ¹	1998-1999
	(\$ millions)		(per cent)	(thousands)		(per cent)
British Columbia.....	2,380	2,416	1.5	10,654	10,654	—
“Short haul” regional						
Alberta.....	1,299	1,344	3.5	2,880	2,938	2.0
Other Canadian.....	382	392	2.6	701	708	1.0
Washington State.....	787	841	6.9	2,249	2,367	5.2
Oregon State.....	140	150	7.1	323	340	5.3
Other United States.....	87	93	6.9	308	324	5.2
Subtotal.....	2,695	2,820	4.6	6,461	6,677	3.3
North America “long haul”						
Ontario.....	712	737	3.5	872	889	1.9
Other Canadian.....	266	270	1.5	292	292	—
California.....	472	504	6.8	791	833	5.3
Other United States.....	693	741	6.9	1,135	1,195	5.3
Mexico.....	36	41	13.9	52	59	13.5
Subtotal.....	2,179	2,293	5.2	3,142	3,268	4.0
Asia and Oceania						
Japan.....	287	289	0.7	302	300	-0.7
Hong Kong.....	98	95	-3.1	90	86	-4.4
Taiwan.....	110	145	31.8	88	114	29.5
South Korea.....	36	59	63.9	38	61	60.5
Australia.....	140	152	8.6	120	129	7.5
New Zealand.....	36	38	5.6	31	32	3.2
Other Asia/Pacific.....	113	133	17.7	104	121	16.3
Subtotal.....	820	911	11.1	773	843	9.1
Europe						
United Kingdom.....	253	288	13.8	238	267	12.2
Germany.....	154	163	5.8	129	134	3.9
Switzerland.....	12	11	-8.3	10	9	-10.0
Austria.....	33	32	-3.0	27	26	-3.7
France.....	24	33	37.5	30	40	33.3
Netherlands.....	44	50	13.6	54	61	13.0
Italy.....	20	19	-5.0	25	23	-8.0
Other Europe.....	85	87	2.4	110	111	0.9
Subtotal.....	625	683	9.3	623	671	7.7
Other overseas.....	72	74	2.8	142	144	1.4
Total.....	8,771	9,197	4.9	21,795	22,257	2.1

¹ Preliminary estimates.

Source: Tourism British Columbia.

Table A1.28 British Columbia High-Technology Sector Activity

Indicator	1995	1996	1997	1998	1999	Change 1998-1999
						(per cent)
Number of Establishments						
Manufacturing.....	1,238	1,294	1,402	1,422	1,488	4.6
Services.....	3,878	4,434	4,930	5,421	5,861	8.1
Total.....	5,116	5,728	6,332	6,843	7,349	7.4
Employment (persons)						
Manufacturing.....	6,940	7,630	8,610	9,370	11,260	20.2
Services.....	31,890	33,550	36,030	37,950	40,800	7.5
Total.....	38,830	41,180	44,640	47,320	52,060	10.0
Wages and Salaries (\$ millions)						
Manufacturing.....	248	303	354	402	502	25.0
Services.....	1,377	1,456	1,621	1,680	1,846	9.9
Total.....	1,625	1,758	1,975	2,082	2,348	12.8
Shipments (\$ millions).....	1,184	1,517	1,677	1,915	2,025	5.7
Exports (\$ millions).....	563	512	610	770	816	6.0

Source: BC Stats, Ministry of Finance and Corporate Relations.



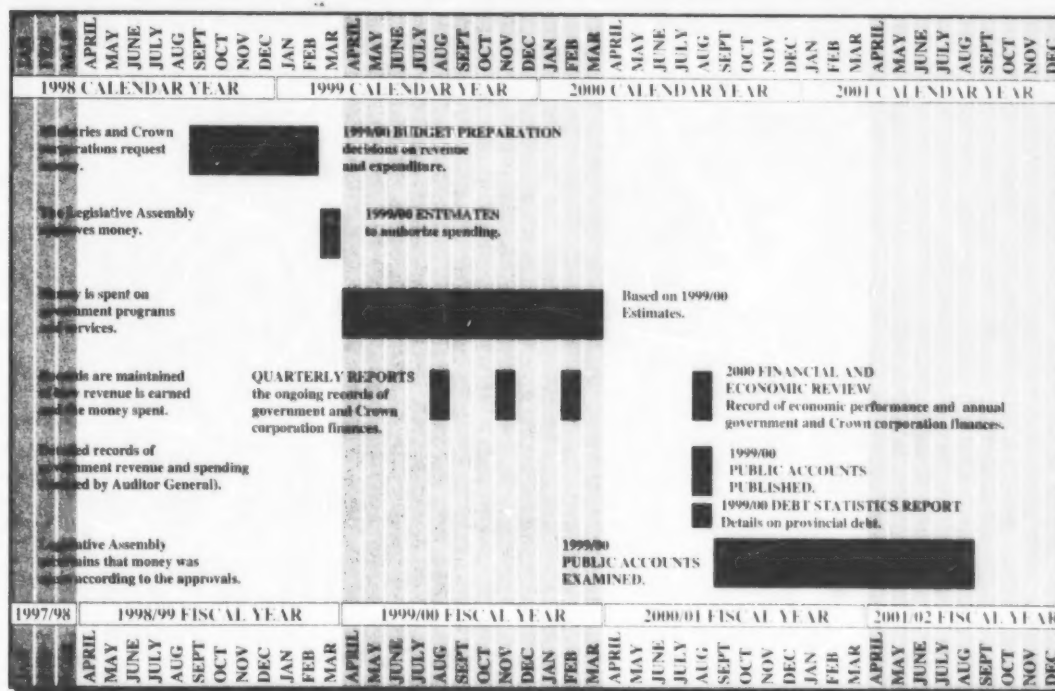
The Financial Cycle — Government Ministries and Offices

Chart A2.1 summarizes the annual financial process of the provincial government, including certain government organizations that depend on direct financial assistance from provincial government ministries. This process consists of four main stages.

- **Planning and Budget Preparation** — each ministry first identifies activities that require funding and submits a proposed budget for review by Treasury Board. Decisions are made on individual ministry budgets based on revenue expectations and government spending priorities.
- **Implementation and Reporting** — the budget is presented to the Legislative Assembly by the Minister of Finance and Corporate Relations and is accompanied by a document called the *Estimates*. The *Estimates* document lays out the government's revenue and expenditure plan for the next fiscal year, and also provides other information on the government's finances. Spending for programs and services under each ministry is grouped in the *Estimates* into packages or "votes", so called because the legislature debates and then votes on each package. *Interim Supply Acts* are passed to authorize government spending while the *Estimates* are being debated. After all votes have been approved, the Legislative Assembly passes a final *Supply Act* to authorize spending for the fiscal year.

Throughout the year, the authorized money is spent on government programs and services as specified in the *Estimates* and approved ministry spending plans. During the fiscal year, Treasury Board closely monitors the government's financial activities. Records are maintained of how the money is collected and spent, and *Quarterly Reports* are published to provide regular public updates on the government's finances.

Chart A2.1 The 1999/00 Financial Cycle



- **Evaluation** — at the end of the fiscal year, the *Public Accounts* are prepared by the Comptroller General and examined by the Auditor General to ensure that the financial statements fairly present the government's financial position.
- **Accountability** — the *Public Accounts* are published and presented to the Legislative Assembly, and the Public Accounts Committee (a committee of the Legislative Assembly) examines them to ensure that government spending was in accordance with what was approved. The *British Columbia Financial and Economic Review* is also published, which provides an overview of annual and historical financial and economic results, as well as descriptions of government programs and the activities of the government's Crown corporations and agencies during the year. The government also issues the *Debt Statistics Report* to provide detailed information on the debt of the government and its Crown corporations and agencies, and various indicators on debt performance and management.

In September 1999, the Budget Process Review Panel recommended that the government shift the focus of its budgeting and reporting to the summary accounts basis, which includes Crown corporations and agencies. The Panel also recommended the adoption of specific financial reporting deadlines. The provincial government adopted the majority of the panel's recommendations with the passage of the *Budget Transparency and Accountability Act* (BTAA) in June 2000. Many of the recommendations were implemented prior to passage of the legislation, including presentation of the *Quarterly Reports* and the 2000/01 *Estimates* on the summary accounts basis, and inclusion of revised forecasts in the *Quarterly Reports*.

Most of the reporting requirements set out in the BTAA will be in force for the 2000/01 and subsequent financial cycles. The 2000/01 financial cycle includes a budget consultation document, a report on the advice of the Economic Forecast Council, full disclosure of budget forecast assumptions and risks, annual performance plans for each ministry and government organization, and publication of *Quarterly Reports*, with revised forecasts, according to the legislated schedule. The legislation also imposes deadlines on the release of the government's *Public Accounts* and tabling of the annual budget.

Government, Crown Corporation and Agency Accounts and Financial Statements

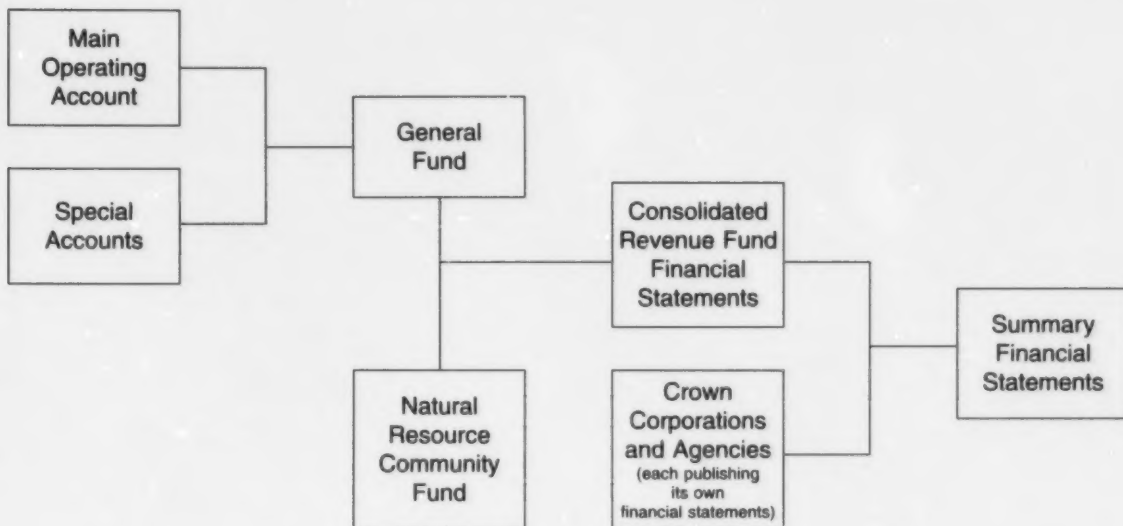
The government conducts its activities through ministries, Crown corporations and agencies. Information on the combined financial results of the government and its Crown corporations and agencies is presented in the government's summary financial statements, or summary accounts, which are published as part of the annual *Public Accounts*.

Consolidated Revenue Fund

The accounts relating to the government's own activities are contained in the consolidated revenue fund. In 1999/00, the consolidated revenue fund included the general fund with its various special accounts, and one special fund — the natural resource community fund. The consolidated revenue fund comprises all money over which the legislature has the power of appropriation (see Chart A2.2).

Transactions of the consolidated revenue fund are reported in the government's consolidated revenue fund financial statements, which are published as part of the government's annual *Public Accounts*. These statements also include transactions between the government and its Crown corporations and agencies. Revenue and expenditure of the consolidated revenue fund are recorded on an accrual basis of accounting, with certain limited exceptions. Assets are recorded on the government's balance sheet to the extent that they represent financial claims by the government upon outside parties; are items held for resale, prepaid expenses, deferred charges, or prepaid capital advances; or are tangible capital assets acquired. Similarly, liabilities are recorded only if they represent actual or probable financial claims against the government.

In this appendix, current and historical operating results are presented for the government's summary accounts and consolidated revenue fund in accordance with the government's accounting policies effective March 31, 2000.

Chart A2.2 Components of the Provincial Government's Financial Statements — 1999/00

Crown Corporations and Agencies

Crown corporations and agencies may be classified as either taxpayer-supported or self-supported. Taxpayer-supported Crown corporations and agencies may sell services directly to the public, but their revenue may not cover operating expenses and debt servicing payments. In these cases, the government provides some grants or other forms of assistance to them, including the dedication of provincial revenue. This category also includes Crown corporations whose primary purpose is to provide services to the government. Self-supported commercial Crown corporations and agencies are not taxpayer-supported as they generate sufficient revenue to cover operating and debt service costs, and may pay dividends to the provincial government. The operations of Crown corporations and agencies are recorded in their own financial statements, which are subject to audit by the Auditor General or by private-sector auditors. Details on the financial results of individual Crown corporations and agencies are not published in the *Public Accounts*, but are available on the Internet from the Ministry of Finance and Corporate Relations website at <http://www.fin.gov.bc.ca>.

Summary Accounts

The financial results of the consolidated revenue fund and the Crown corporations and agencies are combined into the summary accounts.

The accounting policies and practices of individual Crown corporations and agencies may be different from those used by the central government in preparing its own financial statements. Financial statements of taxpayer-supported Crown corporations and agencies are usually adjusted to conform to the government's accounting policies in preparing the summary financial statements. For example, in 1999/00, the provincial government transferred ownership of provincial highways to the BC Transportation Financing Authority (BCTFA). BCTFA records this transfer as a deferred capital contribution to be amortized as revenue and amortization expense over the remaining useful life of the highways.

In preparing the summary financial statements, BCTFA's deferred capital contribution is eliminated so that the summary accounts only reflect the effect of the annual amortization (expense) of provincial highway assets consistent with government's accounting policy.

Consistent with the practice followed in 1998/99, and with the practices followed in most other jurisdictions in Canada, the summary accounts do not include the financial results (revenues, expenditures, assets and liabilities) for universities, colleges, school districts, hospital districts and health care organizations. Although the government continues to publish separate financial information on these sectors as part of the annual *Public Accounts*, the Auditor General has, nevertheless, expressed a reservation that these organizations should be included in the summary financial statements of the provincial government.

Accounting Changes Effective in 1999/00

Capitalization of Capital Assets

Up until 1995/96, the provincial government treated most annual capital expenditures on basically a "pay-as-you-go" basis. For the most part, Crown corporation statements were adjusted to this basis when preparing the government's summary financial statements. This method of accounting has sometimes been referred to as the "expenditure basis" of accounting. Beginning with the 1995/96 *Public Accounts*, the government began phasing in an accounting policy to capitalize and amortize the costs of certain tangible assets. Capitalization is a process of replacing, in the government's annual budgetary expenditures, amounts spent to acquire tangible capital assets with amortization/depreciation expenses associated with those assets. This method of accounting is sometimes referred to as the "expense basis" of accounting. Capitalization of tangible capital assets does not affect the amount of provincial debt reported in a particular year. Figures for the fiscal year 1995/96 onwards are presented using the expense basis of accounting that incorporates the government's phase-in of capitalization accounting policies.

Effective in 1999/00, the government's capitalization accounting policy has been extended to include expenditures for highway infrastructure and related heavy machinery and equipment, consistent with the recommendations of the provincial Auditor General. Some minor corrections were also made to asset valuations.

For 1999/00 reporting purposes, capitalized tangible assets include: mainframe and minicomputer hardware and software systems; vehicles (including ambulances); highway infrastructure and related equipment; ferries and related infrastructure; buildings (including tenant improvements); land acquired for parks and land under buildings.

The following table illustrates the effect of the phasing-in of the government's capitalization accounting policy on the summary accounts surplus (deficit) for 1995/96 to 1999/00. The table shows that excluding the effect of capitalization, the 1999/00 summary accounts deficit was \$429 million, down \$1,072 million from 1998/99. In addition, the adoption of a capitalization accounting policy resulted in prior-period adjustments to record net tangible capital assets for prior years. These prior-period adjustments reduced the accumulated net deficiency (deficit) by \$5,937 million. Additional information on the government's capitalization accounting policy is shown in the 1999/00 *Public Accounts*.

Summary Accounts	Prior Period Adjustments ¹	1995/96 ²	1996/97 ³	1997/98 ⁴	1998/99 ⁵	1999/00
	(\$ millions)					
Surplus (deficit) excluding effects of capitalization.....		(333)	(845)	(523)	(1,501)	(429)
Adjustments to include capitalization policy:						
Deduct: cost of capital assets acquired during the year.....		39	363	383	1,103	1,261
Add: amortization/depreciation provision and asset valuation adjustments.....		(24)	(271)	(290)	(605)	(780)
Net adjustment.....	—	15	92	93	498	481
Surplus (deficit) after capitalization.....	5,937	(318)	(753)	(430)	(1,003)	52

¹ The phase-in of a capitalization accounting policy resulted in prior period adjustments to record net tangible capital assets for prior years. The effect of this change reduced the accumulated net deficiency for prior years by \$5,937 million. These prior year adjustments to record net tangible assets consisted of:

- a \$164 million reduction for 1994/95 and prior years, as a result of capitalization changes introduced in 1996/97;
- a \$161 million reduction for 1995/96 and prior years, as a result of changes introduced in 1997/98;
- a \$26 million increase for 1996/97 and prior years, as a result of changes introduced in 1998/99;
- a \$5,638 million reduction for 1997/98 and prior years, primarily as a result of extending capitalization accounting policy to highway infrastructure and related equipment in 1999/00.

² The 1995/96 deficit has not been restated to reflect the effect of capitalization changes introduced in 1997/98 through 1999/00. This effect is recorded as part of the prior period adjustment figure.

³ The 1996/97 deficit has not been restated to reflect the effect of capitalization changes introduced in 1998/99 through 1999/00. This effect is recorded as part of the prior period adjustment figure.

⁴ The 1997/98 deficit has not been restated to reflect the effect of capitalization changes introduced in 1999/00. This effect is recorded as part of the prior period adjustment figure.

⁵ The 1998/99 deficit (before capitalization policy adjustments) has been restated to reflect changes in estimated expenditures and liabilities unrelated to tangible capital assets.

Unfunded Pension Liabilities

As noted in Chapter 2, the provincial government's other liabilities include the unfunded portion of pension liabilities associated with certain pension funds it administers. These liabilities are reflected in the government's financial statements and are subject to new actuarial valuations undertaken by independent actuaries at periodic intervals (usually every three years).

Factors of an actuarial valuation that may give rise to a change in the unfunded liability include plan benefit payment experience; fund investment returns; changes to plan benefits or contribution rates; changes to actuarial assumptions (e.g. projected life expectancies/mortality rates of plan beneficiaries); and the expected average remaining service life (EARS�) of associated employee groups — the number of years an average employee has until retirement. Consistent with government accounting policy, changes to an unfunded liability resulting from an actuarial review are amortized as annual increases or reductions to provincial government expenditures over the EARS� of the associated employee group.

During 1999/00, the government changed its method of calculating its pension expense and its practice of recognizing annual changes in pension surpluses/unfunded liabilities. This change was recommended by the Auditor General. In previous years, the government used cash payments to estimate its annual pension expense, after adjusting for the amortization of changes in unfunded pension liabilities and the effect of any plan amendments. Under the new method, the government makes an estimate of earned employee benefits and interest earnings on the pension plans in calculating its annual pension expense. The effect of this change reduced the government's pension expense in 1999/00 by \$352 million and by \$187 million in 1998/99, largely due to strong investment earnings in the recent years.

The following table provides details of the latest actuarial estimates of unfunded pension plan liabilities or surpluses.

Pension Plan	Actuarial Valuation Liability (Surplus)		Public Accounts Information			
	Initial Valuation	Latest Valuation	Accounting Liability March 31, 1999 (restated)	Annual ¹ Amortization	Plan ¹ Changes	Accounting Liability March 31, 2000
	— (\$ millions) —		— (\$ millions) —			
Public Service ²	438	(1,086) ³	191	(209)	142	124
MLA Superannuation ²	7	7	7	—	—	7
Provincial 70%-Share of Municipal Superannuation ⁴	740	208	556	(199)	—	357
Teachers ⁵	1,779	1,422	1,639	(74)	—	1,565
	2,964	551	2,393	(482)	142	2,053
Colleges ⁶	(32)	(129)	n/a	n/a	n/a	n/a
Total.....	2,932	422	2,393	(482)	142	2,053

¹ The total annual amortization of \$482 million is included as a reduction to provincial government expenditure in Chapter 2, Table 2.5. This consists of \$130 million for the amortization of the reduction in the unfunded pension liability, plus a \$352-million reduction to reflect a change in the method used for calculating annual pension expenses. Recent plan changes, which affect retirement eligibility, were also factored into the latest actuarial valuation and included a one-time charge of \$142 million in 1999/00 relating to existing retirees.

² Initial valuation date: March 31, 1990. Latest valuation date: March 31, 1999. Next valuation date: March 31, 2002. The MLA Superannuation Account is based on estimates, as actuarial valuations are not required.

³ The surplus is not amortized as part of the reduction to the pension liability. In accordance with legislative provisions, the surplus is refunded annually to employers over a 15-year period.

⁴ Initial valuation date: December 31, 1991. Latest valuation date: December 31, 1997. Next valuation date: December 31, 2000.

⁵ Initial valuation date: December 31, 1993. Latest valuation date: December 31, 1996. Next valuation date: December 31, 1999.

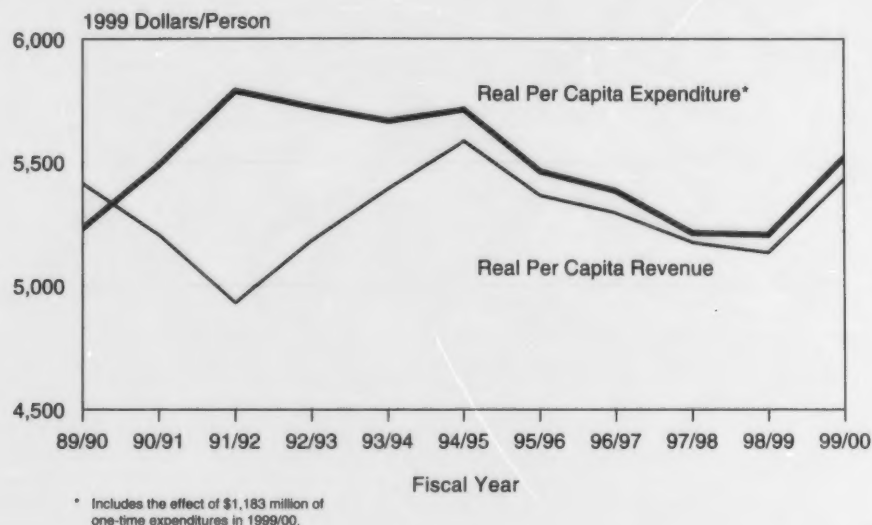
⁶ Initial valuation date: August 31, 1994. Latest valuation date: August 31, 1997. Next valuation date: August 31, 2000. The College Pension Plan surplus is not recorded in the provincial government's accounts.

Net unfunded pension liabilities for the major public sector pension plans administered by the provincial government totaled \$422 million as of March 31, 2000, down over \$2.5 billion since the initial valuation dates in the early 1990's. All of the major pension plans have shown a significant reduction in unfunded liabilities. The most recent change occurred in the Public Service Pension Plan, where the surplus was increased by \$877 million in the latest actuarial valuation, despite changes to the plan to allow earlier retirement. Other changes occurred in the Municipal Superannuation Plan, which has evolved from a \$740 million unfunded liability in 1990 to a \$208 million liability in 1997, and in the Teachers' Pension Plan where the unfunded liability has shown a \$357 million decline since 1993. Most of the improvements have been due to higher fund investment returns and lower inflation.

Real Per Capita Revenue and Expenditure — Consolidated Revenue Fund

Chart A2.3 shows how the provincial government's real per capita revenue and expenditure of the CRF has changed as a result of changes in the economy and the government's fiscal policies. In the late 1980's, real per capita revenue exceeded expenditure due to a strengthening economy and the effect of revenue measures. However, in 1990/91 and 1991/92, provincial finances deteriorated as real per capita revenue declined and real per capita expenditure increased due to a slowdown in the provincial economy. In 1991/92, the CRF gap between real per capita revenue and expenditure widened to \$857 (1999 dollars). Budget management efforts and strong revenue growth caused the gap to narrow gradually to \$88 in 1999/00.

Real per capita revenue of the CRF increased 5.8 per cent in 1999/00, with higher revenue from natural resources, federal contributions, and taxation accounting for most of the increase. The increase in real per capita revenue in 1999/00 followed four years of decline mainly due to slow economic growth and tax reduction measures.

Chart A2.3 Real Per Capita Consolidated Revenue Fund Revenue and Expenditure

Real per capital spending increased 6.0 per cent in 1999/00 and included the effect of one-time expenditures totalling \$1,183 million. Excluding these items, real per capita spending increased 2.0 per cent following a 0.2-per-cent decline in 1998/99 — real per capita revenue would have exceeded expenditure by \$118 per person, resulting in a positive CRF positive balance in 1999/00.

Dedicated Revenues Collected on Behalf of Crown Corporations, Agencies and Other Public Bodies

The government includes, in its financial statements, information on the amounts of revenue collected on behalf of, and transferred to, Crown corporations and agencies. In 1999/00, amounts collected on behalf of, and transferred to, Crown corporations and agencies totalled \$768 million, an increase of \$346 million from 1998/99. The increase from the previous year was mainly due to a higher transfer of dedicated revenue to Forest Renewal BC as a result of higher stumpage and royalty revenues, the collection of fuel tax and social service tax on parking in the Vancouver transit area on behalf of the Greater Vancouver Transportation Authority (*TransLink*), and the collection of fuel tax on behalf of the British Columbia Ferry Corporation. Except for *TransLink* revenue, which belongs to another government jurisdiction, these revenues are included as part of the operating results of Crown corporations and agencies shown in Appendix Table A2.1.

Details on the amounts of revenue collected on behalf of, and transferred to, Crown corporations, agencies and other public bodies for the last five years ending March 31 are shown in the following table.

Fiscal Year Ended March 31	1996	1997	1998	1999	2000
	\$ millions				
British Columbia Transit ¹	87.0	81.8	87.2	94.2	7.8
BC Transportation Financing Authority (BCTFA) ²	62.3	62.5	118.6	123.9	176.5
Forest Renewal BC ³	451.7	485.3	482.8	177.4	301.5
British Columbia Ferry Corporation ⁴	—	—	—	—	65.1
Greater Vancouver Transportation Authority (TransLink) ⁵	—	—	—	—	181.8
Tourism British Columbia ⁶	—	—	19.9	20.5	21.8
Oil and Gas Commission ⁷	—	—	—	5.7	13.4
Total dedicated revenue	<u>601.0</u>	<u>629.6</u>	<u>708.5</u>	<u>421.7</u>	<u>767.9</u>

¹ For 1998/99 and prior years, figures include motor fuel tax collected in the Vancouver and Victoria regional transit service areas. Effective April 1, 1999, figures include motor fuel tax collected in the Victoria regional transit area only (2.5 cents/litre on clear and motive fuel) as a result of the creation of the Greater Vancouver Transportation Authority (TransLink).

² Includes motor fuel tax and a sales tax on short-term rentals of passenger vehicles. The 1999/00 figure is based on a transfer of 3 cents/litre on clear and motive fuel (up from 2 cents/litre effective June 1, 1999). The previous rate of 2 cents/litre was increased from 1 cent/litre effective July 1, 1997.

³ Includes incremental stumpage and royalty revenue resulting from changes to rates introduced under the provincial government's Forest Renewal Plan on and after May 1, 1994.

⁴ Includes 1 cent/litre of motor fuel tax for the period April 1, 1999 to September 30, 1999 and 1.25 cents/litre effective October 1, 1999.

⁵ Effective April 1, 1999, includes 8 cents/litre on clear and motive fuel (4 cents/litre of which was previously collected on behalf of British Columbia Transit) and social services tax on parking in the Vancouver transit area.

⁶ Includes a 1.65 per cent share of the revenue raised from the 8-per-cent provincial hotel room tax.

⁷ Includes fees collected under the *Petroleum and Natural Gas Act* and the *Pipeline Act*, and a levy assessed under the *Oil and Gas Commission Levy Regulation*.

Financial Statements for the Fiscal Year Ended March 31, 2000

The tables in this appendix include financial information of the Government of British Columbia for the year ended March 31, 2000. They summarize the operating results of the summary accounts and government's consolidated revenue fund, based on financial statements prepared by the Office of the Comptroller General from the accounts of the government. This appendix also includes financial information of major Crown corporations and agencies.

**Table A2.1 Summary Accounts
Five-Year Operating Results¹**

	1995/96	1996/97	1997/98	1998/99 ²	1999/00
(\$ millions)					
Consolidated Revenue Fund (CRF):					
Revenue ²	19,698	20,126	20,216	20,306	21,846
Expenditure.....	(20,054)	(20,463)	(20,367)	(20,587)	(22,200)
CRF Balance	(356)	(337)	(151)	(281)	(354)
Crown Corporations and Agencies:					
Taxpayer-supported:					
British Columbia Buildings Corporation.....	33	39	39	49	45
British Columbia Ferry Corporation.....	(39)	(76)	(59)	(114)	(299)
BC Transportation Financing Authority.....	35	25	52	(114)	22
Forest Renewal BC.....	324	105	(88)	(265)	1
Other ⁴	(7)	(21)	40	9	(44)
	346	72	(16)	(435)	(275)
Less: Contributions paid to CRF ⁵	(12)	(10)	(20)	(14)	(78)
Forgiveness of BC Ferry Corporation debt.....	—	—	—	—	1,080
Accounting adjustments ⁶	(363)	(425)	(309)	(368)	(131)
Total taxpayer-supported	(29)	(363)	(345)	(817)	596
Self-supported Commercial:					
British Columbia Hydro and Power Authority.....	150	339	408	395	416
Liquor Distribution Branch.....	567	587	606	616	617
British Columbia Lottery Corporation.....	251	273	290	456	532
British Columbia Railway Company.....	47	36	40	24	(582)
Insurance Corporation of British Columbia.....	62	(135)	14	74	96
Other ⁷	(48)	(8)	(24)	(23)	1
	1,029	1,092	1,334	1,542	1,080
Less: Contributions paid to CRF ⁸	(956)	(1,138)	(1,260)	(1,348)	(1,376)
BC Hydro rate stabilization account transfer.....	—	—	—	—	129
Accounting adjustments ⁹	(6)	(7)	(8)	(99)	(23)
Total self-supported commercial	67	(53)	66	95	(190)
Total Crown Corporations and Agencies	38	(416)	(279)	(722)	406
Total Summary Accounts Surplus (Deficit)	(318)	(753)	(430)	(1,003)	52

¹ Based on 1999/00 Public Accounts information. For comparative purposes, figures for prior years have been restated for the presentation used in 1999/00.

² CRF revenue amounts exclude dedicated revenue collected on behalf of, and transferred to, Crown corporations and agencies and other entities. Further details on transferred revenue are shown in the dedicated revenues table in the introduction to Appendix 2.

³ Figures for 1998/99 have been restated to reflect changes in various accounting policies. CRF expenditure was reduced by \$184 million. This reflects a \$186-million decrease for a change in government accounting policy for pensions, partially offset by a \$2-million increase reflecting an adjustment to government's capitalization policy. British Columbia Buildings Corporation net income was increased by \$1.3 million to record a change in accounting for tenant improvement assets. British Columbia Railway Company net income was reduced \$2.4 million to reflect changes in accounting for non-pension benefits.

⁴ Includes earnings/(losses) of British Columbia Transit, British Columbia Securities Commission, Okanagan Valley Tree Fruit Authority, Tourism British Columbia and other taxpayer-supported Crown corporations and agencies.

⁵ Primarily reflects dividends paid by the British Columbia Buildings Corporation that are included in CRF revenue.

⁶ Primarily reflects adjustments to record the amortization of the cost of highways transferred to the BC Transportation Financing Authority. The 1999/00 adjustment also includes the positive effect of \$70 million in debt assumed by the provincial government from 580440 British Columbia Ltd. (Vancouver Trade and Convention Centre).

⁷ Includes earnings/(losses) of the Columbia Power Corporation and 552513 BC Ltd. (Skeena Cellulose Inc.) and other commercial Crown corporations.

⁸ Includes dividends paid by commercial Crown corporations that are included in CRF revenue.

⁹ Includes transfers of British Columbia Lottery Corporation revenue to charities and local governments.

Table A2.2 Five-Year Summary of Operating Results, Capital Expenditures and Net Debt

	1995/96	1996/97	1997/98	1998/99	1999/00
	(\$ millions)				
Operating Results					
Consolidated Revenue Fund balance	(356)	(337)	(151)	(281) ¹	(354)
Net contribution of taxpayer-supported					
Crown corporations	(29)	(363)	(345)	(817)	596
Net contribution of self-supported commercial					
Crown corporations	67	(53)	66	95	(190)
Summary surplus (deficit)	<u>(318)</u>	<u>(753)</u>	<u>(430)</u>	<u>(1,003)¹</u>	<u>52</u>
Capital Expenditures					
Taxpayer-supported					
Capital plan					
Education	539	450	373	504	489
Health	203	194	115	169	247
Transportation	618	596	419	781	1,015
Other	97	35	30	24	37
Gross capital plan	1,457	1,275	937	1,478	1,788
Less: Recoverable expenditures ²	(29)	(28)	(17)	(89)	(66)
Net capital plan	<u>1,428</u>	<u>1,247</u>	<u>920</u>	<u>1,389</u>	<u>1,722</u>
Other taxpayer-supported					
Government operating (ministries)	162	150	147	195	156
Other	65	41	50	84	22
Total taxpayer-supported	<u>1,655</u>	<u>1,438</u>	<u>1,117</u>	<u>1,668</u>	<u>1,900</u>
Self-supported commercial Crown corporations and agencies	<u>491</u>	<u>628</u>	<u>493</u>	<u>596</u>	<u>721</u>
Total capital expenditures	<u>2,146</u>	<u>2,066</u>	<u>1,610</u>	<u>2,264</u>	<u>2,621</u>
Net Debt at Year-End:³					
Taxpayer-supported					
Provincial government direct operating ⁴	10,237	11,030	11,488	12,190	13,833
Education and health facilities capital financing	5,389	5,661	5,769	5,879	6,429
Highways, ferries and public transit ⁴	2,598	3,144	3,463	3,641	3,487
Other ⁴	1,642	1,312	1,244	1,240	1,175
Total taxpayer-supported debt	<u>19,866</u>	<u>21,147</u>	<u>21,964</u>	<u>22,950</u>	<u>24,924</u>
Self-supported commercial Crown corporations and agencies	<u>7,952</u>	<u>7,996</u>	<u>7,992</u>	<u>8,399</u>	<u>7,977</u>
Warehouse borrowing program	<u>895</u>	<u>100</u>	<u>212</u>	<u>658</u>	<u>1,320</u>
Total provincial debt	<u>28,713</u>	<u>29,243</u>	<u>30,168</u>	<u>32,007</u>	<u>34,221</u>

¹ Figures have been restated to reflect changes in accounting policies for the capitalization of highways and for pensions.

² Represents expenditures by hospital districts on cost-shared projects, and capital spending on behalf of, and recovered from, other public sector agencies.

³ Net of sinking funds and unamortized discount balances.

⁴ Effective March 31, 2000, fiscal agency debt of the British Columbia Ferry Corporation and of 580440 British Columbia Ltd. (Vancouver Trade and Convention Centre) is included as part of provincial government direct debt. Figures for previous years have not been restated.

**Table A2.3 Five-Year Balance Sheet
Consolidated Revenue Fund
As at March 31¹**

	1996	1997	1998	1999	2000
ASSETS	(\$ millions)				
Cash and temporary investments.....	61.4	82.6	372.5	74.4	885.5
Warehouse program investments.....	895.2	100.0	211.5	657.8	1,320.5
Accounts receivable.....	2,061.8	2,669.5	2,354.2	2,247.9	2,533.3
Inventories.....	132.4	131.6	132.3	149.3	167.8
Amounts due from other governments.....	630.0	142.0	203.0	248.3	240.4
Investments in and amounts due from Crown corporations and agencies.....	669.6	884.9	1,033.5	1,068.2	1,132.1
Loans and advances.....	157.0	189.5	192.1	254.6	294.4
Other investments.....	151.8	184.5	206.1	197.9	166.3
Loans for purchase of assets, recoverable from agencies.....	9,654.7	10,333.0	10,750.2	11,255.5	10,297.9
Other assets.....	139.0	178.4	186.7	243.0	275.9
Prepaid capital advances ²	—	—	—	7,288.5	8,019.5
Loans for purchase of assets, recoverable from future appropriations.....	5,068.7	5,496.0	5,754.1	—	—
Tangible capital assets ³	178.1	370.5	379.9	513.5	551.1
	<u>19,799.0</u>	<u>20,762.5</u>	<u>21,776.1</u>	<u>24,198.9</u>	<u>25,884.7</u>
LIABILITIES AND NET EQUITY					
Accounts payable and accrued liabilities.....	2,396.7	2,416.9	2,372.6	2,427.4	2,509.2
Due to other governments.....	203.2	202.8	224.2	141.6	90.8
Due to Crown corporations, agencies and funds.....	318.1	315.1	332.9	170.3	313.0
Deferred revenue.....	390.8	435.9	462.0	406.7	393.7
Unfunded pension liabilities.....	2,795.6	2,769.4	2,695.2	2,392.4	2,053.0
Public debt - government direct operating.....	10,237.1	11,030.5	11,488.0	12,190.3	13,833.0
Public debt - taxpayer supported.....	8,128.5	8,814.0	9,410.6	10,406.9	10,775.4
Public debt - self-supported.....	7,491.3	7,115.6	7,305.6	8,503.2	8,710.9
	<u>31,961.3</u>	<u>33,100.2</u>	<u>34,291.1</u>	<u>36,638.8</u>	<u>38,679.0</u>
Net equity (deficiency) ^{2,4}	<u>(12,162.3)</u>	<u>(12,337.7)</u>	<u>(12,515.0)</u>	<u>(12,439.9)</u>	<u>(12,794.3)</u>
	<u>19,799.0</u>	<u>20,762.5</u>	<u>21,776.1</u>	<u>24,198.9</u>	<u>25,884.7</u>
GUARANTEED DEBT²	<u>2,720.0</u>	<u>2,036.0</u>	<u>1,625.0</u>	<u>545.0</u>	<u>498.0</u>
TRUST FUNDS	<u>37,025.0</u>	<u>41,469.0</u>	<u>46,988.0</u>	<u>50,366.0</u>	<u>56,215.0</u>

¹ Based on data contained in the annual *Public Accounts*. For comparative purposes, figures for previous years have been restated to be consistent with the presentation used in 1999/00, and with the government's accounting policies in effect March 31, 2000.

² Certain 1998/99 fiscal agency loans and guaranteed debt have been replaced by prepaid capital advances. This resulted in a 1998/99 equity adjustment which reduced the accumulated deficit by \$290 million. As this change was introduced prospectively, prior years have not been restated.

³ The government changed its accounting policy in 1995/96 to include the capitalization and depreciation of certain tangible capital assets of the consolidated revenue fund. In each subsequent year, the categories of capitalized assets were expanded. The following prior period adjustments were recorded for net capital assets for prior years: 1995/96 - \$164 million; 1996/97 - \$161 million; 1997/98 - (\$26 million); 1998/99 - \$66 million. Each of these prior period adjustments reduced (increased) the accumulated net deficiency.

⁴ Changes in the net deficiency between fiscal years reflect the annual surpluses (deficits) recorded for the period, plus any prior period adjustments. An annual deficit increases the net deficiency, while a surplus reduces the net deficiency. For example, the \$354-million increase in net deficiency between 1999 and 2000 is equal to the annual CRF shortfall of \$354-million as shown in Table A2.4.

**Table A2.4 Five-Year Summary of Operating and Financing Transactions
Consolidated Revenue Fund
For Fiscal Years Ended March 31¹**

	1996	1997	1998	1999	2000
	(\$ millions)				
Gross revenue	20,298.8	20,755.2	20,924.4	20,727.8	22,613.9
Less: Dedicated revenue transferred to Crown corporations and agencies and other public bodies ²	(601.0)	(629.6)	(708.5)	(421.7)	(767.9)
Net revenue	19,697.8	20,125.6	20,215.9	20,306.1	21,846.0
Expenditure	20,053.6	20,462.7	20,366.8	20,587.4 ³	22,200.4
Balance	(355.8)	(337.1)	(150.9)	(281.3)	(354.4)
Net receipts (disbursements) from financing and working capital transactions	145.8	(435.1)	(16.7)	(719.1)	(477.2)
Decrease (increase) in cash and temporary investments ⁴	154.0	(21.2)	(289.9)	298.1	(811.1)
Net (increase) decrease in government direct operating debt ⁵	(56.0)	(793.4)	(457.5)	(702.3)	(1,642.7)

¹ Figures are based on information in the 1999/00 Public Accounts. For comparative purposes, figures for prior years have been restated to reflect the government's accounting policies effective March 31, 2000. Further information is shown in Appendix 2 — Accounting Changes Effective in 1999/00.

² Includes dedicated revenue collected on behalf of, and transferred to, British Columbia Transit, British Columbia Ferry Corporation, BC Transportation Financing Authority, Greater Vancouver Transportation Authority (TransLink), Forest Renewal BC, the BC Oil and Gas Commission and Tourism British Columbia.

³ In 1998/99, expenditure has been restated (\$184.3-million reduction). This reflects a \$186.5-million decrease for the change in government's accounting policy for pensions, partially offset by a \$2.2-million increase for an adjustment to government's capitalization policy. This does not affect cash or debt requirements.

⁴ Financing and working capital transactions represent either a source or use of funds, such as the payment or collection of loans and accounts payable/receivable, or non-cash transactions including allowances for doubtful accounts. They do not cause a change in the annual balance, but only a change in the composition of the government's assets and liabilities.

⁵ Includes direct debt incurred for government operating purposes and does not include direct capital financing debt or debt incurred by, or on behalf of, Crown corporations and agencies. See Table A2.2.

**Table A2.5 Five-Year Revenue by Source
Consolidated Revenue Fund
For Fiscal Years Ended March 31¹**

	1996	1997	1998	1999	2000
	(\$ millions)				
Taxation Revenue					
Personal income	4,993.1	5,289.8	5,362.0	5,423.0	5,839.0
Corporation income	1,225.2	1,347.3	1,137.7	1,097.7	939.1
Social service	2,999.6	3,076.3	3,243.2	3,209.2	3,337.7
Fuel	678.4	688.1	641.6	653.5	469.9
Tobacco	482.3	487.9	485.9	505.1	497.6
Property — residential (school purpose) ²	480.5	493.1	502.1	511.3	529.2
Property — business (school purpose)	701.6	701.8	734.4	763.7	758.0
Property — rural area	63.3	62.3	62.0	61.0	63.5
Property transfer	266.1	313.3	310.3	222.6	244.7
Corporation capital	380.2	402.9	406.2	455.2	459.7
Insurance premium	175.7	168.6	176.0	195.2	199.4
Hotel room ³	81.7	87.6	74.3	79.5	86.0
Horse racing	6.2	5.1	4.4	3.8	3.4
	12,533.9	13,124.1	13,140.1	13,180.8	13,427.2
Less: Commissions on collection of public funds	(24.3)	(24.9)	(24.1)	(23.8)	(24.3)
Less: Allowance for doubtful accounts	—	(5.4)	(12.8)	(23.3)	(25.0)
Total taxation revenue	12,509.6	13,093.8	13,103.2	13,133.7	13,377.9
Natural Resource Revenue					
Petroleum and Natural Gas					
Natural gas royalties	94.1	173.4	155.6	193.6	328.1
Permits and fees	168.1	205.8	214.0	106.4	247.7
Petroleum royalties	52.7	74.3	76.9	62.2	93.9
	314.9	453.5	446.5	362.2	669.7
Minerals	77.5	47.2	51.8	43.9	46.9
Forests					
Timber sales	874.3	1,021.1	968.2	815.0	1,040.7
Small Business Forest Enterprise Program	309.8	321.3	317.9	209.2	269.5
Logging tax	134.1	40.4	13.5	13.3	24.0
Other forests revenue	29.7	25.1	64.7	55.3	57.9
	1,347.9	1,407.9	1,364.3	1,092.8	1,392.1
Water resources	267.7	264.1	321.9	322.3	396.6
Wildlife Act — fees and licences	19.0	13.8	14.4	14.4	14.9
	286.7	277.9	336.3	336.7	411.5
Less: Commissions on collection of public funds	(1.1)	(1.0)	(1.1)	(1.1)	(1.0)
Less: Allowance for doubtful accounts	—	—	(0.6)	(5.0)	(2.4)
Total natural resource revenue	2,025.9	2,185.5	2,197.2	1,829.5	2,516.8
Other Revenue					
Fees and Licences					
Medical Services Plan premiums	822.4	853.3	881.8	876.0	868.3
Motor vehicle licences and permits	326.3	321.9	316.3	328.6	335.4
Ministry of Attorney General fees	82.8	95.5	95.4	105.8	102.0
Real estate earnings of the Crown Land					
special account	28.8	36.8	34.8	44.3	54.7
Coquihalla highway tolls	37.6	38.0	38.8	38.9	40.9
Registry Agency fees	34.4	35.8	36.7	36.0	36.4
Vital Statistics Agency fees	8.7	9.4	9.9	10.1	9.9
Ministry of Health fees	21.4	20.3	23.6	23.3	24.2
Provincial Treasury Operations and Insurance					
and Risk Management special account	21.7	21.4	26.2	26.5	33.1
Safety inspection fees	16.3	16.1	17.2	15.9	16.2
Waste management fees	12.8	15.7	13.2	12.5	11.7
Public gaming licences and permits	15.3	16.8	17.8	6.0	0.1
Fire Services Act	8.6	11.0	11.5	—	—
Property tax collection fees	5.8	6.4	6.2	6.6	6.7

Table A2.5 Five-Year Revenue by Source
Consolidated Revenue Fund
For Fiscal Years Ended March 31¹ — Continued

	1996	1997	1998	1999	2000
	(\$ millions)				
Financial Institutions Commission.....	6.6	6.5	5.9	2.2	1.9
Other fees and licences.....	32.7	34.8	56.5	35.9	24.6
	1,482.2	1,539.7	1,591.8	1,568.6	1,566.1
Less: Commissions on collection of public funds.....	(24.7)	(41.9)	(72.5)	(51.3)	(13.8)
Less: Allowance for doubtful accounts.....	(7.1)	(16.5)	(19.2)	(33.5)	(4.8)
	1,450.4	1,481.3	1,500.1	1,483.8	1,547.5
Investment earnings.....	49.2	50.4	47.6	51.0	60.2
British Columbia Endowment Fund ⁴	27.7	—	—	—	—
Miscellaneous					
Fines and penalties.....	77.6	76.9	100.9	112.0	107.9
Maintenance of children.....	18.7	12.6	16.8	10.0	—
Insurance claim receipts.....	25.2	22.0	22.2	13.6	13.2
Other miscellaneous.....	156.1	106.2	91.6	101.6	114.2
	354.5	268.1	279.1	288.2	295.5
Less: Commissions on collection of public funds.....	(0.5)	(3.0)	(3.7)	(3.6)	(3.2)
Less: Allowance for doubtful accounts.....	(3.8)	(3.1)	(0.2)	(0.1)	(4.0)
	350.2	262.0	275.2	284.5	288.3
Asset dispositions ⁵	—	—	24.0	63.1	51.9
Total other revenue	1,800.6	1,743.3	1,799.3	1,831.4	1,887.7
Contributions from Government Enterprises					
Liquor Distribution Branch.....	567.1	587.8	609.3	615.6	617.4
British Columbia Hydro and Power Authority.....	114.8	279.3	369.0	322.9	343.0
British Columbia Lottery Corporation ⁶	244.2	266.2	281.4	369.4	416.0
British Columbia Buildings Corporation.....	12.0	10.0	20.0	2.0	71.0
British Columbia Railway Company.....	10.0	4.0	—	40.0	—
Other contributions.....	19.5	0.8	—	12.0	7.0
Total contributions from government enterprises	967.6	1,148.1	1,279.7	1,361.9	1,454.4
Contributions from the Federal Government					
Canada health and social transfer ⁷	2,222.1	1,775.0	1,637.0	1,968.0	2,438.1
Education (public schools).....	68.6	71.7	74.5	75.5	81.1
National Training Act.....	19.8	11.1	7.7	7.1	—
Employability assistance for persons with disabilities.....	45.8	29.4	26.7	34.6	27.0
Economic development.....	9.6	—	—	—	—
Immigration services.....	—	22.4	22.4	22.4	22.4
Other payments ⁸	28.2	45.3	68.2	42.0	40.6
Total contributions from the federal government	2,394.1	1,954.9	1,836.5	2,149.6	2,609.2
Total Revenue	19,697.8	20,125.6	20,215.9	20,306.1	21,846.0

¹ Based on 1999/00 Public Accounts information. For comparative purposes, figures for prior years have been restated to be consistent with the presentation used in 1999/00. Figures exclude dedicated revenue collected on behalf of, and transferred to, British Columbia Transit, British Columbia Ferry Corporation, BC Transportation Financing Authority, Greater Vancouver Transportation Authority (TransLink), Forest Renewal BC, the BC Oil and Gas Commission, and Tourism British Columbia. These revenues are included as part of the operations of Crown corporations and agencies, with the exception of TransLink which is not part of the provincial government public sector.

² Revenue is shown net of home owner grants (basic and supplementary).

³ Beginning in 1997/98, a portion of hotel room tax is dedicated to Tourism British Columbia.

⁴ The British Columbia Endowment Fund was dissolved effective June 30, 1995.

⁵ Includes revenue realized through dispositions of assets deemed to be surplus to government needs.

⁶ The British Columbia Lottery Corporation remitted additional funds to government which were distributed to charitable organizations and local governments, beginning in 1998/99.

⁷ In 1996/97, the federal government introduced the Canada health and social transfer, replacing the former established programs financing and Canada assistance plan programs.

⁸ Other payments include federal contributions for flood relief, criminal legal aid, statutory subsidies, Young Offenders Act, student loan administration and other cost-shared programs. The 1996/97 figure includes a partial recovery of Canada assistance plan entitlements withheld by the federal government in 1995/96.

**Table A2.6 Five-Year Revenue by Source — Supplementary Information
Consolidated Revenue Fund
For Fiscal Years Ended March 31¹**

	1996	1997	1998	1999	2000
Per Cent of GDP:			(per cent)		
Taxation.....	11.9	12.1	11.8	11.8	11.7
Natural resource.....	1.9	2.0	2.0	1.6	2.2
Other.....	1.7	1.6	1.6	1.7	1.6
Contributions from government enterprises.....	0.9	1.1	1.2	1.2	1.3
Contributions from the federal government.....	2.3	1.8	1.6	2.0	2.3
Total revenue.....	<u>18.7</u>	<u>18.6</u>	<u>18.2</u>	<u>18.3</u>	<u>19.1</u>
Growth Rates:			(per cent)		
Taxation.....	4.8	4.7	0.1	0.2	1.9
Natural resource.....	-9.7	7.9	0.5	-16.7	37.6
Other.....	-1.9	-3.2	3.2	1.8	3.1
Contributions from government enterprises.....	-5.9	18.7	11.5	6.4	6.8
Contributions from the federal government.....	-2.8	-18.3	-6.1	17.0	21.4
Total revenue.....	1.0	2.2	0.4	0.4	7.6
Per Capita Revenue:			(dollars)		
Taxation.....	3,306	3,373	3,309	3,285	3,325
Natural resource.....	535	563	555	458	626
Other.....	476	449	454	458	469
Contributions from government enterprises.....	256	296	323	341	362
Contributions from the federal government.....	633	503	464	537	648
Total revenue.....	<u>5,206</u>	<u>5,184</u>	<u>5,105</u>	<u>5,079</u>	<u>5,430</u>
Real Per Capita Revenue (1999 dollars)	5,365	5,294	5,175	5,134	5,430
— growth rate (per cent).....	-3.9	-1.3	-2.2	-0.8	5.8

¹ Revenue has been restated to reflect the government's accounting policies at March 31, 2000. Figures exclude dedicated revenue collected on behalf of, and transferred to, Crown corporations and agencies and the Greater Vancouver Transportation Authority (*TransLink*).

Note: Per capita revenue is calculated using July 1 population (e.g. 1999/00 revenue divided by population on July 1, 1999). Similarly, revenue as a per cent of GDP is calculated using GDP for the calendar year ending in the fiscal year (e.g. 1999/00 revenue divided by GDP for the 1999 calendar year). Revenue is converted to real (inflation-adjusted) terms using the consumer price index (CPI) for the corresponding calendar year (e.g. 1999 CPI for 1999/00 revenue). Totals may not add due to rounding.

**Table A2.7 Five-Year Expenditure by Function¹
Consolidated Revenue Fund
For Fiscal Years Ended March 31**

	1996	1997	1998	1999 ²	2000
	(\$ millions)				
Health					
Hospital care	4,116.4	4,312.7	4,388.9	4,546.4	4,835.8
Medical care	2,287.1	2,356.0	2,455.7	2,557.6	2,809.4
Preventive care	266.5	279.6	250.9	206.7	248.3
Other health	108.1	113.4	153.4	168.2	123.0
Total health care³	6,778.1	7,061.7	7,248.9	7,478.9	8,016.5
Social services³	3,033.0	3,019.9	3,101.8	3,031.4	3,009.7
Education					
Elementary and secondary	3,969.3	4,121.1	4,163.1	4,161.7	4,262.2
Post-secondary	1,413.9	1,480.2	1,451.9	1,450.7	1,496.8
Other education	109.0	156.5	159.2	213.2	215.8
Total education³	5,492.2	5,757.8	5,774.2	5,825.6	5,974.8
Protection of persons and property					
Law enforcement	375.9	400.2	398.4	409.8	428.3
Police protection	143.7	149.8	149.5	157.3	152.8
Corrections ³	243.1	259.2	211.3	207.0	189.3
Other protection and regulation ⁴	327.3	306.9	280.7	296.7	337.7
Total protection of persons and property	1,090.0	1,116.1	1,039.9	1,070.8	1,108.1
Transportation					
Road and air	572.2	575.5	494.9	471.6	468.4
Ferries ⁵	9.3	4.7	4.7	24.3	1,080.0
Public transit ⁶	270.3	281.4	288.7	293.8	148.6
Total transportation	851.8	861.6	788.3	789.7	1,697.0
Natural resources and economic development					
Forests (includes firefighting)	687.5	612.2	482.9	576.9	493.9
Minerals and mines	45.6	26.6	23.1	30.8	42.6
Environment and agriculture	235.3	227.6	220.9	213.5	220.2
Fish and game	25.9	24.0	12.1	20.7	20.8
Trade and industry ⁵	171.9	153.1	117.4	90.2	175.2
Total natural resources and economic development	1,166.2	1,043.5	856.4	932.1	952.7
Other expenditure					
Local government	302.1	305.1	240.7	199.6	127.4
Housing support	76.3	91.2	86.7	91.1	92.6
Recreation and culture ⁵	122.3	97.9	151.3	81.4	146.0
Total other expenditure	500.7	494.2	478.7	372.1	366.0
General government					
Legislature	26.6	30.6	32.0	34.9	34.0
Administration	227.8	210.0	213.0	213.8	206.7
Total general government	254.4	240.6	245.0	248.7	240.7
Debt servicing	887.2	867.3	833.6	838.1	834.9
Total Expenditure	20,053.6	20,462.7	20,366.8	20,587.4	22,200.4

¹ Expenditure by function has been restated to conform more closely to the presentation used by Statistics Canada. Figures are based on 1999/00 Public Accounts information. For comparative purposes, figures for previous years have been restated to be consistent with the presentation used in 1999/00.

² 1998/99 comparative expenditure is reduced \$184.3 million reflecting a change in government's accounting policy for pensions and an adjustment to government's capitalization policy.

³ Certain 1997/98 expenditures formerly reported under health, education and corrections are now included under social services due to an integration of service delivery that resulted from the creation of the Ministry for Children and Families in late 1996/97.

⁴ During 1996/97 and 1997/98, responsibility for the Motor Vehicle Branch was transferred from government to the Insurance Corporation of British Columbia.

⁵ 1999/00 includes one-time expenditures of \$1,183 million to record the forgiveness of \$1,080 million of debt owed by the British Columbia Ferry Corporation to the government, and write-downs of provincial investments in the Vancouver Trade and Convention Centre (trade and industry — \$70 million) and the Kemess mine (recreation and culture — \$33 million.)

⁶ Public transit expenditures are lower in 1999/00 due to the transfer of transit responsibilities in the Lower Mainland from British Columbia Transit to the Greater Vancouver Transportation Authority (TransLink) at the end of 1998/99. Funding for the TransLink is provided by increased provincial transfers of revenue from fuel and sales taxes, increased access to the local property tax base, and other own-source fees and charges.

Table A2.8 Five-Year Expenditure by Function — Supplementary Information
Consolidated Revenue Fund
For Fiscal Years Ended March 31¹

	1996	1997	1998	1999	2000
Per Cent of GDP:					
	(per cent)				
Health care	6.4	6.5	6.5	6.7	7.0
Social services	2.9	2.8	2.8	2.7	2.6
Education	5.2	5.3	5.2	5.3	5.2
Protection of persons and property	1.0	1.0	0.9	1.0	1.0
Transportation	0.8	0.8	0.7	0.7	1.5
Natural resources and economic development	1.1	1.0	0.8	0.8	0.8
Other expenditure	0.6	0.5	0.4	0.4	0.4
General government	0.2	0.2	0.2	0.2	0.2
Debt servicing	0.8	0.8	0.8	0.8	0.7
Total Expenditure	19.0	18.9	18.3	18.6	19.4
Growth Rates:					
	(per cent)				
Health care	2.9	4.2	2.7	3.2	7.2
Social services	4.9	-0.4	2.7	-2.3	-0.7
Education	4.6	4.8	0.3	0.9	2.6
Protection of persons and property	4.5	2.4	-6.8	3.0	3.5
Transportation ²	-6.1	1.2	-8.5	0.2	114.9
Natural resources and economic development ²	-22.1	-10.5	-17.9	8.8	2.2
Other expenditure ²	-16.9	-1.3	-3.1	-22.3	-1.6
General government	3.2	-5.4	1.8	1.5	-3.2
Debt servicing	-4.7	-2.2	-3.9	0.5	-0.4
Total Expenditure ²	0.5	2.0	-0.5	1.1	7.8
Per Capita Expenditure:					
	(dollars)				
Health care	1,791	1,819	1,831	1,871	1,993
Social services	802	778	783	758	748
Education	1,451	1,483	1,458	1,457	1,485
Protection of persons and property	288	288	263	268	275
Transportation	225	222	199	198	422
Natural resources and economic development	308	269	216	233	237
Other expenditure	134	127	121	92	90
General government	67	62	62	62	60
Debt servicing	234	223	211	210	208
Total Expenditure	5,300	5,271	5,144	5,149	5,518
Real Per Capita Expenditure (1999 dollars)					
— growth rate (per cent) ²	5,462	5,383	5,214	5,205	5,518
	-4.4	-1.4	-3.1	-0.2	6.0

¹ Expenditure has been restated to reflect the government's accounting policy at March 31, 2000.

² Excluding one-time expenditures in 1999/00 of \$1,183 million, growth rates would be -21.9% for transportation, -5.3% for natural resources and economic development and -10.5% for other. In addition, excluding expenditure reductions of \$352 million in 1999/00 and \$187 million in 1998/99 for pension policy changes, growth rates would be 2.9% for total spending in 1999/00 and 1.7% in 1998/99; and 1.1% for real per capita spending in 1999/00 and 0.7% for real per capita spending in 1998/99.

Note: Per capita expenditure is calculated using July 1 population (e.g. 1999/00 expenditure divided by population on July 1, 1999). Similarly, expenditure as a per cent of GDP is calculated by using GDP for the calendar year ending in the fiscal year (e.g. 1999/00 expenditure divided by GDP for the 1999 calendar year). Expenditure is converted to real (inflation-adjusted) terms using the consumer price index (CPI) for the corresponding calendar year (e.g. 1999 CPI for 1999/00 expenditure).

Table A2.9 British Columbia Buildings Corporation
Five-Year Income Statement for the Years Ended March 31

	1996	1997	1998	1999 ¹	2000
	(\$ millions)				
Revenues	416.5	424.0	440.3	446.2	463.5
Expenses	326.1	329.3	340.3	345.3	358.5
Operating income	90.4	94.7	100.0	100.9	105.0
Interest expense	57.1	55.3	60.7	51.5	60.0
Net income	33.3	39.4	39.3	49.4	45.0

¹ Restated to be consistent with the 1999/00 presentation.
Source: British Columbia Buildings Corporation.

Table A2.10 British Columbia Ferry Corporation
Five-Year Income Statement for the Years Ended March 31

	1996	1997	1998	1999 ¹	2000
	(\$ millions)				
Revenues:					
Tolls	271.5	267.8	290.1	291.8	292.4
Catering and other income	69.0	66.0	66.7	61.2	63.5
Federal operating contract	21.3	21.8	21.9	22.0	22.1
	361.8	355.6	378.7	375.0	378.0
Expenses:					
Operating:					
Salaries, wages and benefits	208.9	220.8	220.6	230.5	227.4
Other expenses	130.0	135.4	142.2	141.3	160.1
	338.9	356.2	362.8	371.8	387.5
Net operating income (loss)	22.9	(0.6)	15.9	3.2	(9.5)
Net financing expense	35.7	32.6	33.8	42.4	53.1
Amortization	36.1	38.3	41.1	42.3	51.0
Catamaran Ferries International Inc. loss and investments in training and infrastructure	—	9.7	4.7	8.8	10.5
Provision for write-down of <i>PacifiCat</i> ferries	—	—	—	48.0	240.0
Loss before provincial grant or dedicated revenue	(48.9)	(81.2)	(63.7)	(138.3)	(364.1)
Provincial grant	9.4	4.7	4.7	24.0	—
Dedicated revenue (motor fuel tax)	—	—	—	—	64.9 ²
Net loss	(39.5)	(76.5)	(59.0)	(114.3)	(299.2) ³

¹ Restated to be consistent with the 1999/00 presentation.

² Differs from that reported as a dedicated transfer from the CRF due to year-end accounting adjustments.

³ Excludes the effect of the government's forgiveness of \$1,080 million of debt. This is recorded on the corporation's balance sheet and is accounted for in the government's summary accounts as an adjustment to taxpayer-supported Crown corporations and agencies.

Source: British Columbia Ferry Corporation.

Table A2.11 BC Transportation Financing Authority
Five-Year Consolidated Statement of Income for the Years Ended March 31

	1996	1997	1998	1999	2000
	(\$ millions)				
Revenue					
Dedicated revenue and other	64.3	64.6	130.6	126.3	210.7
Amortization of provincial capital contribution	—	—	—	—	189.7
	<u>64.3</u>	<u>64.6</u>	<u>130.6</u>	<u>126.3</u>	<u>400.4</u>
Expenditures:					
Operations and administration	22.4	21.7	23.2	24.1	55.0
Grant programs	2.0	4.0	5.1	11.5	17.5
Amortization ¹	1.8	4.2	13.9	32.1	231.4
Interest	3.4	9.4	27.7	68.1	73.8
Write down of project costs	—	—	4.3	14.1	0.5
	<u>29.6</u>	<u>39.3</u>	<u>74.2</u>	<u>149.9</u>	<u>378.2</u>
(Loss) earnings from operations	34.7	25.3	56.4	(23.6)	22.2
Extraordinary items ²	—	—	4.8	90.7	—
Net (loss) earnings for the year	<u>34.7</u>	<u>25.3</u>	<u>51.6</u>	<u>(114.3)</u>	<u>22.2</u>

¹ Effective March 31, 1999, the provincial government transferred highway infrastructure assets to the Authority. Asset values are recorded on the Authority's balance sheet as a deferred capital contribution, and are amortized as income of the Authority with an offsetting increase to amortization expense.

² The 1998 figure represents costs for emergency repairs to highways and bridges affected by slides and washouts. The 1999 expenditure represents the net book value of highways in the Lower Mainland transferred to the Greater Vancouver Transportation Authority (*TransLink*).

Table A2.12 Forest Renewal BC
Five-Year Statement of Operations and Equity for the Years Ended March 31

	1996	1997	1998	1999	2000
	(\$ millions)				
Revenues:					
Statutory forest revenue	451.7	485.3	482.8	177.4	301.5
Investment income	30.5	35.6	51.2	45.3	31.3
	<u>482.2</u>	<u>520.9</u>	<u>534.0</u>	<u>222.7</u>	<u>332.8</u>
Expenditures:					
Program expenditures	145.2	395.5	596.4	463.2	314.5
Administration	13.2	20.0	25.3	24.1	17.1
	<u>158.4</u>	<u>415.5</u>	<u>621.7</u>	<u>487.3</u>	<u>331.6</u>
Net revenue	<u>323.8</u>	<u>105.4</u>	<u>(87.7)</u>	<u>(264.6)</u>	<u>1.2</u>
Equity, beginning of the year	421.9	745.7	851.1	763.4	498.8
Equity, end of the year	<u>745.7</u>	<u>851.1</u>	<u>763.4</u>	<u>498.8</u>	<u>500.0</u>

Source: Forest Renewal BC.

**Table A2.13 British Columbia Hydro and Power Authority
Five-Year Income Statement for the Years Ended March 31**

	1996	1997	1998	1999	2000
	(\$ millions)				
Revenues:					
Domestic	2,217.8	2,239.1	2,191.7	2,277.9	2,327.5
Electricity trade	51.2	163.6	341.2	739.0	1,129.1
	<u>2,269.0</u>	<u>2,402.7</u>	<u>2,532.9</u>	<u>3,016.9</u>	<u>3,456.6</u>
Expenses:					
Energy costs	498.8	513.6	610.6	1,075.2	1,354.9
Operating expenses	398.5	415.2	384.9	407.8	441.7
Taxes	168.7	168.8	176.8	172.7	170.7
Depreciation	307.1	322.4	335.7	338.8	365.0
Finance charges	745.8	625.0	585.0	615.2	578.8
Employee transition option costs	—	—	—	11.8	—
Corporate restructuring costs	—	19.0	—	—	—
	<u>2,118.9</u>	<u>2,064.0</u>	<u>2,093.0</u>	<u>2,621.5</u>	<u>2,911.1</u>
Net income before customer profit sharing and transfer to rate stabilization account	150.1	338.7	439.9	395.4	545.5
Customer profit sharing	—	—	32.1	—	—
Transfer to rate stabilization account ¹	—	—	—	—	129.3
Total net income	<u>150.1</u>	<u>338.7</u>	<u>407.8</u>	<u>395.4</u>	<u>416.2</u>

¹ Effective March 31, 1999, the Authority modified its accounting and reporting of transfers to/from the rate stabilization account (RSA). RSA transfers are now shown as adjustments to net income rather than to retained earnings as previously reported.

Source: British Columbia Hydro and Power Authority.

**Table A2.14 Liquor Distribution Branch
Five-Year Income Statement for the Years Ended March 31¹**

	1996	1997	1998	1999	2000
	(\$ millions)				
Provincial liquor sales	1,498.1	1,539.7	1,594.5	1,640.8	1,663.3
Less: Cost of sales ²	(771.7)	(791.9)	(825.9)	(850.6)	(864.8)
Gross margin	726.4	747.8	768.6	790.2	798.5
Operating expenses	(162.0)	(164.0)	(165.8)	(178.2)	(188.4)
Other income	3.1	3.3	3.2	3.9	7.3
Net income	<u>567.5</u>	<u>587.1</u>	<u>606.0</u>	<u>615.9</u>	<u>617.4</u>

¹ Due to year-end accounting adjustments, net income figures may be different from those reported in Appendix Table A2.5.

² Includes discounts and commissions.

Source: Liquor Distribution Branch.

Table A2.15 British Columbia Lottery Corporation
Five-Year Income Statement for the Years Ended March 31

	1996	1997	1998	1999	2000
	(\$ millions)				
Lottery sales.....	797.0	867.5	942.2	1,261.5	1,401.5
Less: Prizes and direct costs.....	486.7	529.8	571.4	699.1	745.9
Gross margin.....	310.3	337.7	370.8	562.4	655.6
Operating expenses.....	59.7	64.8	80.5	106.4	123.6
Net income.....	<u>250.6</u>	<u>272.9</u>	<u>290.3</u>	<u>456.0</u>	<u>532.0</u>
Allocation of net income:					
Government of Canada.....	6.5	6.7	6.9	7.0	7.2
Government of British Columbia ¹	244.1	266.2	283.4	449.0	524.8
	<u>250.6</u>	<u>272.9</u>	<u>290.3</u>	<u>456.0</u>	<u>532.0</u>

¹ Allocations to the province differ from those reported in Appendix Table A2.5 due to year-end accounting adjustments and, starting in 1998/99, dedicated amounts transferred to charities and local governments. These transfers are deducted from net income received by the government and totalled \$107 million in 1999/00 (\$75 million in 1998/99).

Table A2.16 British Columbia Railway Company
Five-Year Consolidated Income Statement for the Years Ended December 31

	1995	1996	1997	1998 ¹	1999
	(\$ millions)				
Revenues.....	425.1	418.7	427.1	417.6	479.2
Expenses.....	343.0	348.6	349.5	357.9	407.3
Operating income.....	82.1	70.1	77.6	59.7	71.9
Non-operating expenses.....	35.4	33.8	37.4	35.6	37.8
Income before special charges.....	46.7	36.3	40.2	24.1	34.1
Special charges — asset impairment.....	—	—	—	—	616.6
Net income.....	<u>46.7</u>	<u>36.3</u>	<u>40.2</u>	<u>24.1</u>	<u>(582.5)</u>

¹ Restated to be consistent with the 1999/00 presentation.
Source: British Columbia Railway Company.

Table A2.17 Insurance Corporation of British Columbia
Five-Year Income Statement for the Years Ended December 31

	1995 ¹	1996 ¹	1997	1998 ¹	1999
	(\$ millions)				
Revenue:					
Net premiums.....	2,253.2	2,276.6	2,303.5	2,368.9	2,385.7
Investment income.....	315.1	348.5	387.0	412.2	449.2
Licences and fines collected on behalf of the province.....	—	—	410.2	435.6	423.3
Total revenue.....	2,568.3	2,625.1	3,100.7	3,216.7	3,258.2
Payment of provincial licences and fines to the province ²	—	—	(361.4)	(394.6)	(423.3)
Net revenue.....	2,568.3	2,625.1	2,739.3	2,822.1	2,834.9
Claims and expenses:					
Claims incurred.....	1,967.3	2,125.5	2,025.9	1,915.1	1,842.1
Claims operations expense.....	186.7	212.8	219.4	248.8	275.2
Traffic and commercial vehicle safety programs and operations.....	29.0	49.3	60.3	124.3	167.3
Administration, commissions and taxes.....	323.0	372.4	419.7	413.4	454.6
	2,506.0	2,760.0	2,725.3	2,701.6	2,739.2
Income before Road Safety Dividend.....	62.3	(134.9)	14.0	120.5	95.7
Road Safety Dividend.....	—	—	—	47.0	—
Net income (loss).....	62.3	(134.9)	14.0	73.5	95.7

¹ Certain figures have been restated and reclassified to be consistent with the 1999 presentation.

² Commencing in 1997, the corporation assumed responsibility for the collection of licence fees and fine revenues as part of a merger with the Motor Vehicle Branch of the Ministry of Transportation and Highways.

Source: Insurance Corporation of British Columbia.

**Table A2.18 Five-Year Provincial Net Debt Summary¹
For Fiscal Years Ended March 31**

	1996	1997	1998	1999	2000
	(\$ millions)				
Taxpayer-supported debt:					
Provincial government direct operating	10,237	11,030	11,488	12,190	13,833 ²
Education facilities ³					
Schools	2,658	2,835	2,990	3,261	3,609
Post-secondary institutions	1,332	1,395	1,362	1,336	1,369
	3,990	4,230	4,352	4,597	4,978
Health facilities ³	1,399	1,431	1,417	1,282	1,451
Highways, ferries and public transit					
BC Transportation Financing Authority	590	921	1,089	1,433	1,843
British Columbia Ferry Corporation	502	685	795	973	24 ²
British Columbia Transit	1,506	1,538	1,579	59	79
Public transit ³	—	—	—	987	952
SkyTrain extension ³	—	—	—	133	488
Rapid Transit Project 2000 Ltd.	—	—	—	56	101
	2,598	3,144	3,463	3,641	3,487
Other					
British Columbia Buildings Corporation	719	736	735	715	615
Social housing ⁴	124	152	175	183	205
Homeowner Protection Office	—	—	—	11	32
British Columbia home mortgage assistance and second mortgage programs	76	54	47	38	28
Universities and colleges — fiscal agency loans	167	154	144	137	130
Student assistance loans	174	148	86	61	43
577315 British Columbia Ltd. (Western Star Trucks Holding Ltd.)	—	—	—	—	62
580440 British Columbia Ltd. (Vancouver Trade and Convention Centre)	—	—	—	29	3 ²
Local governments	12	11	10	10	9
Greater Vancouver Sewerage and Drainage District	175	—	—	—	—
Greater Vancouver Water District	131	—	—	—	—
British Columbia Systems Corporation	22	19	—	—	—
Other ⁵	42	38	47	56	48
	1,642	1,312	1,244	1,240	1,175
Total taxpayer-supported debt	19,866	21,147	21,964	22,950	24,924
Self-supported debt:					
Commercial Crown corporations and agencies:					
British Columbia Hydro and Power Authority	7,592	7,477	7,234	7,474	6,945
British Columbia Railway Company	352	412	503	607	655
552513 British Columbia Ltd. (Skeena Cellulose Inc.) ⁶	—	—	157	221	280
Columbia Basin Power Company ⁷	—	96	95	94	94
Other ⁸	8	11	3	3	3
	7,952	7,996	7,992	8,399	7,997
Warehouse borrowing program	895	100	212	658	1,320
Total self-supported debt	8,847	8,096	8,204	9,057	9,297
Total provincial debt	28,713	29,243	30,168	32,007	34,221

¹ Net debt is after deduction of sinking funds and unamortized discounts, and excludes accrued interest. Government direct and fiscal agency accrued interest is reported in the government's accounts as an accounts payable. Figures for earlier years have been restated to conform with the presentation used for fiscal 1999/00.

² Effective March 31, 2000, the provincial government assumed responsibility for the fiscal agency loans of the British Columbia Ferry Corporation (\$1,080 million) and 580440 British Columbia Ltd. (Vancouver Trade and Convention Centre) (\$70 million). This did not affect total taxpayer-supported debt, just its composition.

³ Represents government direct debt incurred for capital financing purposes.

⁴ Includes the British Columbia Housing Management Commission and the Provincial Rental Housing Corporation.

⁵ Includes the British Columbia Assessment Authority, the Pacific Racing Association, and other taxpayer-supported Crown corporations and agencies. Also includes loan guarantees to agricultural producers, guarantees issued under economic development assistance programs and loan guarantee provisions.

⁶ Although the debt of 552513 British Columbia Ltd. (Skeena Cellulose Inc.) is considered to be self-supported, future profitability is uncertain due to the volatility of world pulp prices and their potential impact on Skeena Cellulose Inc. As the province is not the sole shareholder of Skeena Cellulose Inc., a portion of this debt may be attributable to the minority shareholder.

⁷ A joint venture of the Columbia Power Corporation and Columbia Basin Trust.

⁸ Includes debt of the Columbia Power Corporation, British Columbia Lottery Corporation and Liquor Distribution Branch.

**Table A2.19 Five-Year Provincial Net Debt Summary — Supplementary Information
For Fiscal Years Ended March 31**

	1996	1997	1998	1999	2000
Per Cent of GDP:					
	(per cent)				
Taxpayer-supported debt					
Provincial government direct	9.7	10.2	10.3	11.0	12.1
Education	3.8	3.9	3.9	4.1	4.3
Health facilities	1.3	1.3	1.3	1.2	1.3
Highways, ferries and public transit	2.5	2.9	3.1	3.3	3.0
Other debt	1.6	1.2	1.1	1.1	1.0
Total taxpayer-supported debt	18.9	19.6	19.8	20.7	21.8
Self-supported debt					
Commercial Crown corporations and agencies	7.6	7.4	7.2	7.6	7.0
Warehouse borrowing program	0.8	0.1	0.2	0.6	1.2
Total self-supported debt	8.4	7.5	7.4	8.2	8.1
Total provincial net debt	<u>27.3</u>	<u>27.1</u>	<u>27.1</u>	<u>28.8</u>	<u>29.9</u>
Growth Rates:					
	(per cent)				
Taxpayer-supported debt					
Provincial government direct	0.5	7.7	4.2	6.1	13.5
Education	9.9	6.0	2.9	5.6	8.3
Health facilities	6.1	2.3	-1.0	-9.5	13.2
Highways, ferries and public transit	20.4	21.0	10.1	5.1	-4.2
Other debt	-6.1	-20.1	-5.2	-0.3	-5.2
Total taxpayer-supported debt	4.4	6.4	3.9	4.5	8.6
Self-supported debt					
Commercial Crown corporations and agencies	-0.8	0.6	-0.1	5.1	-5.0
Warehouse borrowing program	—	-88.8	112.0	210.4	100.6
Total self-supported debt	10.4	-8.5	1.3	10.4	2.6
Total provincial net debt	6.1	1.8	3.2	6.1	6.9
Per Capita Net Debt:					
	(dollars)				
Taxpayer-supported debt					
Provincial government direct	2,705	2,841	2,901	3,049	3,438
Education	1,054	1,090	1,099	1,150	1,237
Health facilities	370	369	358	321	361
Highways, ferries and public transit	687	810	874	911	867
Other debt	434	338	314	310	292
Total taxpayer-supported debt	5,250	5,447	5,546	5,740	6,195
Self-supported debt					
Commercial Crown corporations and agencies	2,101	2,060	2,018	2,101	1,983
Warehouse borrowing program	237	26	54	165	328
Total self-supported debt	2,338	2,086	2,072	2,265	2,311
Total provincial net debt	<u>7,588</u>	<u>7,533</u>	<u>7,618</u>	<u>8,006</u>	<u>8,506</u>

**Table A2.20 Historical Summary Accounts Surplus (Deficit)
For Fiscal Years Ended March 31¹**

Year	Consolidated Revenue Fund Balance ²	Crown Corporations and Agencies ²	Summary Accounts Surplus (Deficit)	Surplus (Deficit) as a Per Cent of GDP
	(\$ millions)			
1971	99	—	99	1.1
1972	84	—	84	0.8
1973	97	—	97	0.8
1974	146	—	146	1.0
1975	(10)	—	(10)	(0.1)
1976	(410)	—	(410)	(2.1)
1977	94	—	94	0.4
1978	204	—	204	0.8
1979	271	—	271	0.9
1980 ¹	542	(88)	454	1.4
1981	(257)	45	(212)	(0.6)
1982 ³	(184)	43	(141)	(0.3)
1983	(984)	(257)	(1,241)	(2.8)
1984	(1,012)	49	(963)	(2.0)
1985	(994)	172	(822)	(1.6)
1986	(967)	110	(857)	(1.6)
1987	(1,161)	526	(635)	(1.1)
1988	(48)	119	71	0.1
1989	736	194	930	1.3
1990	456	40	496	0.7
1991	(774)	107	(667)	(0.8)
1992	(2,532)	192	(2,340)	(2.9)
1993	(1,686)	210	(1,476)	(1.7)
1994	(910)	11	(899)	(1.0)
1995	(447)	219	(228)	(0.2)
1996	(356)	38	(318)	(0.3)
1997	(337)	(416)	(753)	(0.7)
1998	(151)	(279)	(430)	(0.4)
1999	(281)	(722)	(1,003)	(0.9)
2000	(354)	406	52	—

¹ The provincial government began publishing summary financial statements in 1979/80. Figures for prior years are unavailable. For 1970/71 to 1978/79, the CRF balance is used in place of the summary accounts surplus/(deficit).

² Amounts in brackets indicate where expenses exceeded revenues.

³ In July 2000, Statistics Canada revised provincial nominal GDP back to calendar year 1981 (fiscal year 1981/82). Surplus/(deficit)-to-GDP ratios prior to 1981/82 are based on the previously published Statistics Canada GDP estimates.

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A COMPLETE READING OF THE TEXT.**

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D'OBTENIR LA LECTURE DU TEXTE INTÉGRAL**



**Table A2.21 Historical Summary of Financial Transactions
Consolidated Revenue Fund
For Fiscal Years Ended March 31**

Year	Revenue	Expenditure	Balance ¹	Disbursements (Receipts) from Financing/ Working Capital Transactions	Year Financial Requirements (Receipts)	Net Increase (Decrease) in Government Direct Operating Debt	(Increase) Decrease in Cash and Temporary Investments ²
				(\$ millions)			
1970.....	1,248.3	1,244.7	(3.6)	9.3	5.7	—	5.7
1971.....	1,373.3	1,274.1	(99.2)	20.1	(79.1)	—	(79.1)
1972.....	1,557.4	1,473.9	(83.5)	22.8	(90.7)	—	(60.7)
1973.....	1,772.3	1,675.5	(96.8)	13.0	(83.8)	—	(83.8)
1974.....	2,217.2	2,071.3	(145.9)	(22.9)	(168.8)	—	(168.8)
1975.....	2,769.4	2,779.2	9.8	98.6	108.4	—	108.4
1976.....	3,124.1	3,534.4	410.3	(96.6)	313.7	—	313.7
1977.....	3,785.4	3,691.1	(94.3)	150.1	58.8	261.4	(205.6)
1978.....	4,371.8	4,167.8	(204.0)	(54.2)	(258.2)	—	(258.2)
1979.....	4,852.7	4,582.2	(270.5)	26.3	(244.2)	—	(244.2)
1980.....	5,860.0	5,318.2	(541.8)	85.0	(496.8)	(26.1)	(430.7)
1981.....	5,982.6	6,239.4	256.8	30.1	266.9	(26.1)	313.0
1982.....	7,139.3	7,323.4	184.1	(159.3)	54.8	(26.1)	50.9
1983.....	7,678.1	8,662.3	984.2	265.3	1,248.5	700.0	549.5
1984.....	8,335.1	9,347.2	1,012.1	(223.5)	789.6	713.0	75.6
1985.....	8,807.5	9,801.4	993.9	(111.3)	985.6	879.8	2.8
1986.....	9,160.1	10,126.6	966.5	(105.7)	980.8	721.2	139.6
1987.....	9,463.4	10,624.1	1,160.7	567.9	1,728.6	1,604.8	123.8
1988.....	11,006.6	11,054.6	48.0	154.1	206.1	214.8	(12.7)
1989.....	12,569.8	11,834.2	(735.6)	76.4	(659.2)	(97.5)	(561.7)
1990 ³	13,656.2	13,200.0	(456.2)	23.3	(482.9)	(710.6)	277.7
1991.....	14,236.2	15,009.8	773.6	18.5	792.1	517.3	274.8
1992.....	14,569.8	17,101.4	2,531.6	(518.2)	2,013.4	1,884.6	128.8
1993.....	16,172.0	17,857.7	1,685.7	599.2	2,284.9	2,359.0	(74.1)
1994.....	17,922.6	18,833.0	910.4	(17.5)	927.9	1,287.6	(394.7)
1995.....	19,506.3	19,952.8	446.5	(272.3)	174.2	(76.0)	250.2
1996.....	19,697.8	20,053.6	355.8	(145.8)	210.0	56.0	154.0
1997.....	20,125.6	20,462.7	337.1	435.1	772.2	793.4	(21.2)
1998.....	20,215.9	20,366.8	150.9	16.7	167.6	457.5	(289.9)
1999 ⁴	20,306.1	20,587.4	281.3	719.1	1,000.4	702.3	298.1
2000.....	21,846.0	22,200.4	354.4	477.2	831.6	1,642.7	(811.1)

¹ CRF balance figures are presented as expenditure less revenue. This presentation is intended to show the sources of (or requirements for) the CRF operating account.

² The definition of items classified as cash and temporary investments has changed over time. The table reports the change in cash and temporary investments based on the accounting classification used during the year reported.

³ Beginning in 1989/90, revenue and expenditure have been restated to report sinking funds earnings as a deduction from expenditure. Previously, these earnings were reported as revenue. The annual deficits are unchanged by this accounting policy change.

⁴ In 1998/99, expenditure was reduced by \$184 million. This reflects a \$186-million decrease for the change in the accounting policy for pensions, partially offset by a \$2-million increase reflecting an adjustment to government's capitalization policy. This does not affect cash or debt requirements.

**Table A2.21 Historical Summary of Financial Transactions
Consolidated Revenue Fund
For Fiscal Years Ended March 31**

Year	Revenue	Expenditure	Balance ¹	Disbursements (Receipts) from Financing/ Working Capital Transactions	Total Financial Requirements (Sources)	Net Increase (Decrease) In Government Direct Operating Debt	(Increase) Decrease In Cash and Temporary Investments ²
(S millions)							
1970	1,248.3	1,244.7	(3.6)	9.3	5.7	—	5.7
1971	1,373.3	1,274.1	(99.2)	20.1	(79.1)	—	(79.1)
1972	1,557.4	1,473.9	(83.5)	22.8	(60.7)	—	(60.7)
1973	1,772.3	1,675.5	(96.8)	13.0	(83.8)	—	(83.8)
1974	2,217.2	2,071.3	(145.9)	(22.9)	(168.8)	—	(168.8)
1975	2,769.4	2,779.2	9.8	98.6	108.4	—	108.4
1976	3,124.1	3,534.4	410.3	(96.6)	313.7	—	313.7
1977	3,785.4	3,691.1	(94.3)	150.1	55.8	261.4	(205.6)
1978	4,371.8	4,167.8	(204.0)	(54.2)	(258.2)	—	(258.2)
1979	4,852.7	4,582.2	(270.5)	26.3	(244.2)	—	(244.2)
1980	5,860.0	5,318.2	(541.8)	85.0	(456.8)	(26.1)	(430.7)
1981	5,982.6	6,239.4	256.8	30.1	286.9	(26.1)	313.0
1982	7,139.3	7,323.4	184.1	(159.3)	24.8	(26.1)	50.9
1983	7,678.1	8,662.3	984.2	265.3	1,249.5	700.0	549.5
1984	8,335.1	9,347.2	1,012.1	(223.5)	788.6	713.0	75.6
1985	8,807.5	9,801.4	993.9	(111.3)	882.6	879.8	2.8
1986	9,160.1	10,126.6	966.5	(105.7)	860.8	721.2	139.6
1987	9,463.4	10,624.1	1,160.7	567.9	1,728.6	1,604.8	123.8
1988	11,006.6	11,054.6	48.0	154.1	202.1	214.8	(12.7)
1989	12,569.8	11,834.2	(735.6)	76.4	(659.2)	(97.5)	(561.7)
1990 ³	13,656.2	13,200.0	(456.2)	23.3	(432.9)	(710.6)	277.7
1991	14,236.2	15,009.8	773.6	18.5	792.1	517.3	274.8
1992	14,569.8	17,101.4	2,531.6	(518.2)	2,013.4	1,884.6	128.8
1993	16,172.0	17,857.7	1,685.7	599.2	2,284.9	2,359.0	(74.1)
1994	17,922.6	18,833.0	910.4	(17.5)	892.9	1,287.6	(394.7)
1995	19,506.3	19,952.8	446.5	(272.3)	174.2	(76.0)	250.2
1996	19,697.8	20,053.6	355.8	(145.8)	210.0	56.0	154.0
1997	20,125.6	20,462.7	337.1	435.1	772.2	793.4	(21.2)
1998	20,215.9	20,366.8	150.9	16.7	167.6	457.5	(289.9)
1999 ⁴	20,306.1	20,587.4	281.3	719.1	1,000.4	702.3	298.1
2000	21,846.0	22,200.4	354.4	477.2	831.6	1,642.7	(811.1)

¹ CRF balance figures are presented as expenditure less revenue. This presentation is intended to show the sources of (or requirements for) the CRF operating account.

The definition of items classified as cash and temporary investments has changed over time. The table reports the change in cash and temporary investments based on the accounting classification used during the year reported.

Beginning in 1989/90, revenue and expenditure have been restated to report sinking funds earnings as a deduction from expenditure. Previously, these earnings were reported as revenue. The annual deficits are unchanged by this accounting policy change.

⁴ In 1998/99, expenditure was reduced by \$184 million. This reflects a \$186-million decrease for the change in the accounting policy for pensions, partially offset by a \$2-million increase reflecting an adjustment to government's capitalization policy. This does not affect cash or debt requirements.

Table A2.22 Historical Revenue by Source
Consolidated Revenue Fund
For Fiscal Years Ended March 31¹

Year	Taxation	Natural Resource	Other Revenue	Contributions from Government Enterprises	Contributions from the Federal Government	Total
(\$ millions)						
1985	5,015.3	720.9	886.0	360.3	1,825.0	8,807.5
1986	5,237.2	703.7	965.3	398.4	1,855.5	9,160.1
1987	5,354.5	657.6	979.2	447.6	2,024.5	9,463.4
1988	6,199.8	1,223.0	1,059.9	469.8	2,054.1	11,006.6
1989	6,973.0	1,271.4	1,728.8	447.4	2,149.2	12,569.8
1990 ²	8,095.7	1,249.2	1,463.9	726.7	2,120.7	13,656.2
1991	8,702.5	1,170.7	1,432.6	834.5	2,095.9	14,236.2
1992	8,997.3	1,101.0	1,573.1	700.5	2,197.9	14,569.8
1993	9,896.6	1,264.3	1,580.0	1,015.6	2,415.5	16,172.0
1994 ³	11,100.4	1,771.5	1,733.3	1,048.3	2,269.1	17,922.6
1995	11,936.9	2,243.8	1,835.2	1,027.9	2,462.5	19,506.3
1996 ⁴	12,509.6	2,025.9	1,800.6	967.6	2,394.1	19,697.8
1997	13,093.8	2,185.5	1,743.3	1,148.1	1,954.9	20,125.6
1998	13,103.2	2,197.2	1,799.3	1,279.7	1,836.5	20,215.9
1999	13,133.7	1,829.5	1,831.4	1,361.9	2,149.6	20,306.1
2000	13,377.9	2,516.8	1,887.7	1,454.4	2,609.2	21,846.0

¹ Revenue has been restated to reflect the government's accounting policy at March 31, 2000. Further information is provided in the introduction to this appendix. Figures exclude dedicated revenue collected on behalf of, and transferred to, Crown corporations and agencies. These revenues are included as part of the operations of the Crown corporations and agencies. Figures are based on *Public Accounts* information.

² Beginning in 1989/90, other revenue has been restated to reflect a change in accounting policy to exclude sinking fund earnings from revenue.

³ Beginning in 1993/94, revenue has been restated to reflect a change in accounting policy to show allowances for doubtful collection of revenue accounts as deductions from revenue. Previously, these amounts were recorded as expenditures.

⁴ Beginning in 1995/96, other revenue has been restated to reflect a change in accounting policy to exclude from revenue and expenditure, non-cash exchanges of Crown land (of equivalent value) to third parties.

Table A2.23 Historical Expenditure by Function
Consolidated Revenue Fund
For Fiscal Years Ended March 31¹

Year	Health	Social Services	Education	Transportation	Debt Servicing	Other ²	Total
(\$ millions)							
1985	3,041.8	1,266.5	2,455.1	1,263.0	274.6	1,500.4	9,801.4
1986	3,161.3	1,297.6	2,384.8	1,156.5	341.9	1,784.5	10,126.6
1987	3,445.7	1,297.8	2,495.1	905.5	383.6	2,096.4	10,624.1
1988	3,684.1	1,348.8	2,662.4	927.7	525.3	1,906.3	11,054.6
1989	4,012.2	1,440.2	2,919.7	844.3	529.9	2,087.9	11,834.2
1990 ³	4,501.7	1,495.8	3,228.4	1,198.9	457.2	2,318.0	13,200.0
1991	5,027.5	1,669.1	4,113.0 ⁴	1,187.7	478.2	2,534.3	15,009.8
1992	5,616.7	1,993.7	4,521.5	1,262.1	589.8	3,117.6	17,101.4
1993	6,002.9	2,366.5	4,803.8	1,077.6 ⁵	735.5	2,871.4	17,857.7
1994	6,286.7	2,704.7	4,983.7	1,023.8 ⁵	844.1	2,990.0	18,833.0
1995	6,583.9	2,890.1	5,251.8	906.9	931.4	3,388.7	19,952.8
1996	6,778.1	3,033.0	5,492.2	851.8	887.2	3,011.3	20,053.6
1997	7,061.7	3,019.9	5,757.8	861.6	867.3	2,894.4	20,462.7
1998	7,248.9	3,101.8	5,774.2	788.3	833.6	2,620.0	20,366.8
1999	7,478.9	3,031.4	5,825.6	789.7	838.1	2,623.7	20,587.4
2000	8,016.5	3,009.7	5,974.8	1,697.0	834.9	2,667.5	22,200.4

¹ Expenditure has been restated to reflect the government's accounting policy at March 31, 2000. Further information is provided in the introduction to this appendix. Figures are based on *Public Accounts* information.

² Other includes: protection of persons and property, natural resources and economic development, general government and other expenditures.

³ Beginning in 1989/90, expenditure has been restated to report sinking fund earnings as a deduction from expenditure. Previously, these earnings were reported as revenue. The annual deficits are unchanged by this accounting policy change.

⁴ Beginning in 1990/91, the provincial government assumed full responsibility for contributions to school districts previously funded through residential school property taxes. As a result, some expenditures formerly financed by local school districts are included as expenditures of the government.

⁵ Responsibility for highway capital construction was transferred to the BC Transportation Financing Authority in 1993/94.

**Table A2.24 Historical Provincial Net Debt Summary
For Fiscal Years Ended March 31¹**

Year	Taxpayer-Supported Debt						Self-Supporting Debt ³	Total Provincial Debt	Total Provincial Debt as a Per Cent of GDP	Taxpayer-Supported Debt as a Per Cent of GDP
	Provincial Government Direct Operating	Education Facilities Capital Financing	Health Facilities Capital Financing	Highways Ferries and Public Transit	Other ²	Total Taxpayer-Supported Debt				
(\$ millions)										
1970	—	338	42	142	100	622	1,661	2,283	25.7	7.0
1971	—	362	64	172	99	697	1,808	2,505	26.9	7.5
1972	—	380	85	233	95	793	1,948	2,741	26.5	7.7
1973	—	408	105	288	87	888	2,062	2,950	24.8	7.5
1974	—	425	117	340	145	1,027	2,228	3,255	22.1	7.0
1975	—	485	133	386	149	1,153	2,650	3,803	21.8	6.6
1976	—	557	178	544	145	1,424	3,144	4,568	23.4	7.3
1977	261	658	236	649	188	1,992	3,787	5,779	25.1	8.7
1978	261	710	291	656	215	2,133	4,464	6,597	25.7	8.3
1979	261	778	334	653	91	2,117	4,838	6,955	24.2	7.4
1980	235	836	401	730	195	2,397	5,704	8,101	24.3	7.2
1981	209	919	461	729	270	2,588	5,956	8,544	22.3	6.8
1982 ⁴	183	1,067	561	844	291	2,946	7,227	10,173	22.7	6.6
1983	883	1,204	660	1,024	894	4,665	7,692	12,357	27.5	10.4
1984	1,596	1,321	712	1,392	1,174	6,195	8,440	14,635	30.8	13.1
1985	2,476	1,308	717	691 ⁵	1,276	6,468	9,082 ⁵	15,550	31.2	13.0
1986	3,197	1,276	680	1,034	1,376	7,563	8,990	16,553	30.9	14.1
1987	4,802	1,268	681	1,097	812	8,660	8,485	17,145	30.3	15.3
1988	5,017	1,278	716	1,192	660	8,863	8,149	17,012	27.2	14.2
1989	4,919	1,322	763	1,213	842	9,059	7,396	16,455	23.7	13.1
1990	4,209	1,367	837	1,244	1,262	8,919	7,340	16,259	21.5	11.8
1991	4,726	1,565	959	1,287	1,281	9,818	7,444	17,262	21.8	12.4
1992	6,611	1,939	1,040	1,527	1,431	12,548	7,493	20,041	24.5	15.3
1993	8,969	2,426	1,141	1,719	1,641	15,896	7,526	23,422	26.9	18.3
1994	10,257 ⁶	3,054	1,181	1,862 ⁶	1,627	17,981	7,946	25,927	27.6	19.2
1995	10,181	3,631	1,318	2,158	1,749	19,037	8,013	27,050	27.0	19.0
1996	10,237	3,990	1,399	2,598	1,642	19,866	8,847	28,713	27.3	18.9
1997	11,030	4,230	1,431	3,144	1,312	21,147	8,096	29,243	27.1	19.6
1998	11,488	4,352	1,417	3,463	1,244	21,964	8,204	30,168	27.1	19.8
1999	12,190	4,597	1,282	3,641	1,240	22,950	9,057	32,007	28.8	20.7
2000	13,833 ⁷	4,978	1,451	3,487 ⁷	1,175	24,924	9,297	34,221	29.9	21.8

¹ Net debt is after deduction of sinking funds and unamortized discounts, and excludes accrued interest. Government direct and fiscal agency accrued interest is reported in the government's accounts as an accounts payable. Figures for earlier years have been restated to conform with the presentation used for fiscal 1999/00.

² Includes the British Columbia Buildings Corporation, British Columbia Housing Management Commission, Provincial Rental Housing Corporation and other taxpayer-supported Crown corporations and agencies. Also includes loan guarantees to agricultural producers, guarantees issued under economic development assistance programs and loan guarantee provisions.

³ Commercial Crown corporations and agencies and, beginning in 1995/96, funds held under the province's warehouse borrowing program.

⁴ Statistics Canada revised provincial nominal GDP back to calendar year 1981 (fiscal year 1981/82). Debt-to-GDP ratios prior to 1981/82 are based on the previously published GDP estimates.

⁵ Prior to 1984/85, debt outstanding for the British Columbia Railway Company was classified as taxpayer-supported debt. Beginning in 1984/85, the company was considered to be a commercial operation.

⁶ Prior to the establishment of the BC Transportation Financing Authority in the spring of 1993, capital financing for highways was provided through provincial government direct operating debt.

⁷ Effective March 31, 2000, the provincial government assumed responsibility for fiscal agency loans of the British Columbia Ferry Corporation (\$1,080 million), 580440 British Columbia Ltd. (Vancouver Trade and Convention Centre) (\$70 million) and Kemess mine (\$33 million).

Table A2.25 Provincial Taxes (as of July 2000)

Type and Statute Reference	Tax Base	Tax Rate	Characteristics and Exemptions
Income— <i>Income Tax Act</i>	Taxable income: (1) Corporate. (2) Personal.	16.5% of taxable income (small business rate: 4.75%). Tax rates of 8.4%, 12.4% and 14.35% corresponding to tax brackets of up to \$30,004, \$30,004 to \$60,009 and over \$60,009. High income surtax of 30% of provincial tax in excess of \$5,300 plus 15% of provincial tax in excess of \$8,660.	Both personal and corporate taxes are collected under agreement between the province and Canada Customs and Revenue Agency. Corporate tax credits include the manufacturing and processing tax credit, the scientific research and experimental development tax credit, the logging tax credit and the film tax credit. In addition, the provincial political contributions tax credit, the provincial royalty tax credit, the mining exploration tax credit and venture capital tax credits are available to both individuals and corporations. Under the tax on income system starting for the 2000 taxation year, BC provides a set of non-refundable credits equivalent to all federal non-refundable credits. BC Family Bonus and BC Earned Income Benefit are combined with the federal government's Canada Child Tax Benefit in a single monthly payment to families. Tax credits for claims against personal and corporate income taxes include the refundable sales tax credit, refundable venture capital tax credit for individuals and non-refundable venture capital tax credit for corporations.
Capital — <i>Corporation Capital Tax Act</i>	Adjusted paid-up capital for general corporations includes share capital, retained earnings and surpluses, liabilities and deferred credits less deductions for current accounts payable, specific investments and purchases of new capital assets. Special definition of adjusted paid-up capital for banks, trust companies, credit unions and investment dealers.	General Rate: 0.3%. Banks, trust companies and credit unions with net paid-up capital: greater than \$1 billion — 3%; \$1 billion or less or headquartered in British Columbia — 1%.	Associated groups of corporations with net paid-up capital of less than \$3.5 million are exempt from the tax. Family farm, cooperative, non-profit and other specified corporations are also exempt. The tax rate is phased in for corporations with net British Columbia paid-up capital between \$3.5 million and \$3.75 million. There is a special flat fee for corporations above the exemption threshold but with net paid-up capital allocated to British Columbia below the threshold.
Real Property Transfers — <i>Property Transfer Tax Act</i>	Fair market value of property or interest in property transferred.	1% on the first \$200,000 of value transferred and 2% on amounts in excess of \$200,000.	Exemptions include: transfers of principal residences, recreational residences or family farms to related individuals; transfers of property between spouses pursuant to written separation agreements or court orders; transfers of property to local governments, registered charities and educational institutions; transfers of property to veterans under the <i>Veterans' Land Act</i> (Canada); transfers of land to be protected, preserved, conserved or kept in a natural state; and transfers of leases less than 31 years in duration. A number of technical exemptions are also provided. Eligible first time home-buyers are exempt from tax on transfers of eligible properties.
Retail Sales — <i>Social Service Tax Act</i>	Purchase and lease price of tangible personal property, repair labour and legal services.	General rate is 7%. Liquor 10%. Passenger vehicles: under \$32,000 — 7%; \$32,000 to \$33,000 — 8%; \$33,000 to \$34,000 — 9%; greater than \$34,000 — 10%.	Collected through vendors and lessors registered under the act and paid by purchasers and lessees. The exemptions generally fall into four categories: (1) items considered to be basic necessities of life such as food and prescription and non-prescription drugs; (2) assistance to certain industries such as the exemption of specified equipment used by <i>bona fide</i> farmers, fishers and aquaculturists and the exemption of grinding media, explosives and drill bits used in mining; (3) safety-related equipment designed to be worn by a worker, such as high-visibility vests and steel-toed boots, and specified general safety equipment such as life jackets; (4) energy conservation materials and equipment such as insulation material for buildings, and eligible wind, solar and micro-hydro equipment.
Accommodation — <i>Hotel Room Tax Act</i>	Purchase price of accommodation.	8%. Eligible local governments may apply to have the province levy an additional tax of up to 2% in specified areas on their behalf.	Exemptions include accommodation rented for a period in excess of two months; lodging provided in hospitals and nursing homes; lodging supplied to employees by employers; lodging on ships or trains; hotel rooms not used for accommodation; charges of \$20 or less per day; charitable institutions; trailer parks and campsites; cabins without utilities and other amenities; and establishments with accommodation for less than four tenants.

Table A2.25 Provincial Taxes (as of July 2000)—Continued

Type and Statute Reference	Tax Base	Tax Rate	Characteristics
Tobacco — <i>Tobacco Tax Act</i>	By cigarette, cigar retail price, and weight on other tobacco products.	11 cents per cigarette and tobacco stick; 77% of retail price on cigars to a maximum tax of \$5 per cigar; 11 cents per gram of loose tobacco.	
Motor Fuel — <i>Motor Fuel Tax Act</i>			Tax generally applies to all fuels used in internal combustion engines. Compressed natural gas and 85% methanol and ethanol blends used to propel motor vehicles are exempt. Qualifying persons with disabilities who own or lease a vehicle are entitled to refunds of provincial tax paid up to an annual maximum of \$400. The province collects an additional tax on clear gasoline and motive fuel on behalf of local transit authorities to help cover transit costs. The tax amounts to 4 cents per litre in the Vancouver Regional Transit service area (collected on behalf of <i>TransLink</i>) and 2.5 cents per litre in the Victoria Regional Transit service area (collected on behalf of BC Transit).
◆ Clear gasoline (unleaded gasoline only).		As of July 1, 1997, 11 cents per litre. Includes 3.25 cents per litre collected on behalf of the BC Transportation Financing Authority, and 1.25 cents per litre collected on behalf of the British Columbia Ferry Corporation. Of the tax collected in the Greater Vancouver Regional District, 4 cents is collected on behalf of <i>TransLink</i> .	
◆ Motive fuel.		11.5 cents per litre. Includes 3.25 cents per litre collected on behalf of the BC Transportation Financing Authority, and 1.25 cents per litre on behalf of the British Columbia Ferry Corporation. Of the tax collected in the Greater Vancouver Regional District, 4 cents is collected on behalf of <i>TransLink</i> .	Tax applies to any fuel except unleaded gasoline, gasohol, natural gas, propane and butane used in a motor vehicle. Refunds of 0.5 cents per litre are available for motive fuel used in private passenger vehicles.
◆ Auto Propane.		7%.	Base price of propane used in automobiles is taxed at the social service tax rate.
◆ Coloured fuel, marine diesel fuel.		3 cents per litre.	Coloured fuel may only be used for specified primary production and industrial uses. <i>Bona fide</i> farmers are exempt from paying the tax when fuel is used for farming purposes.
◆ Aviation and locomotive fuel.		3 cents per litre.	Aviation fuel tax applies to fuel produced specifically for use in an aircraft that is not propelled by a turbine.
◆ Jet fuel — domestic.		5 cents per litre.	Jet fuel tax applies to fuel produced specifically for use in an aircraft that is propelled by a turbine. Domestic flights originate and end in Canada.
◆ Jet fuel — international.		2 cents per litre.	International flights originate or end outside of Canada. There is a tax exemption for fuel used on dedicated cargo flights or the portion of cargo on mixed cargo/passenger flights.

Table A2.25 Provincial Taxes (as of July 2000)—Continued

Type and Statute Reference	Tax Base	Tax Rate	Characteristics
◆	Natural gas used in stationary engines.	7% of price if purchased. 1.1 cents per 810.32 litres if used but not purchased.	Tax applies to natural gas used in stationary engines other than pipeline compressors.
◆	Natural gas used in pipeline compressors to transmit marketable gas.	1.9 cents per 810.32 litres.	Tax applies to natural gas used in a stationary engine at a pipeline compressor station.
	Natural gas used in pipeline compressors to extract and transmit raw gas from wells to processing plants.	1.1 cents per 810.32 litres.	
	Natural gas used in pipeline compressors to re-inject sour gas into depleted wells.	Exempt.	
◆	Marine bunker.	7%.	Tax applies to bunker fuel, or a combination of bunker and other fuels used as fuel in a ship.
Race-meetings — <i>Horse Racing Tax Act</i>	Parimutuel betting pool.	7%.	Net provincial tax is 3/7 of total paid, except for tax paid on simulcast races and teletheatre betting, where the net provincial tax is 1/7 and 2/7 of tax paid respectively. The remainder of total tax paid is used for increased purses, maintenance of a breeders incentive fund, grants for breeders societies, operating race courses and horse racing meets, equine health research and capital construction projects and related research costs.
Natural resources — <i>Logging Tax Act</i>	Net income from logging.	10% (fully recoverable against federal and provincial corporation income tax).	Net income from logging after deducting investment and non-forestry income and a processing allowance.
<i>Mining Tax Act</i>	All income from mining operations if mining income exceeds \$50,000.	12.5%.	Net income from mining after deduction of investment and non-mining income and a processing allowance. Tax not applicable to income from petroleum, natural gas or minerals taxed under the <i>Mineral Tax Act</i> .
<i>Mineral Land Tax Act</i>	Assessed value of freehold mineral land and production areas.	Undesignated mineral land — \$1.25 to \$4.94 per hectare. Designated production areas — \$4.94 per hectare.	Rates of tax set on sliding scale, dependent on areas and designation of land.
<i>Mineral Tax Act</i>	Cash flow from individual metal and coal mines (other than placer gold mines).	2% net current proceeds (NCP). 13% net revenue (NR).	Tax calculated on a mine-by-mine basis. NCP tax paid on current operating cash flow until all current and capital costs, plus any investment allowance, are recovered. NR tax paid thereafter on cumulative cash flow. NCP tax creditable against NR tax.
	Value of minerals sold by placer gold mines.	0.5% of value of minerals sold.	
Insurance — <i>Insurance Premium Tax Act</i>	Direct premiums written.	4% for vehicle and general insurance; 2% for life, sickness, personal accident and loss of salary and wages insurance.	Exemptions — benefit societies; mutual corporations with 50% of income from farm or 100% from religious, educational or charitable institutions; marine, except pleasure craft; approved medical or hospitalization plans.
Real property — <i>Taxation (Rural Area) Act</i>	Assessed value of land and improvements in rural areas (outside municipalities). Assessment determined under the <i>Assessment Act</i> .	Annual rates are 0.05% for farms and managed forest land; 0.102% for residential; 0.17% for recreational property/non-profit organizations; 0.37% for light industry, business and other property not contained in any other class; 0.42% for utilities; 0.45% for major industry and unmanaged forest land.	Some exemptions apply under various statutes.

Table A2.25 Provincial Taxes (as of July 2000)—Continued

Type and Statute Reference	Tax Base	Tax Rate	Characteristics
Residential school tax — <i>School Act</i>	Assessed value of residential land and improvements. Assessment determined under the <i>Assessment Act</i> .	Annual rates vary by school district; ranges from about 0.25% to 0.9%; weighted average 0.37%.	Basic rates are calculated using a formula to moderate effects of varying average assessments on school district taxes. School districts may levy additional tax if authorized by local referendum.
Non-residential school tax — <i>School Act</i>	Assessed value of non-residential land and improvements. Assessment determined under the <i>Assessment Act</i> .	Annual rates are 0.45% for recreational property/non-profit organizations; 0.23% for managed forest land; 0.68% for farms; 0.99% for light industry, business and other property not contained in any other class; 1.2% for unmanaged forest land; 1.25% for major industry; 1.5% for utilities.	Some exemptions apply under various statutes.



Table A2.26 Interprovincial Comparisons of Tax Rates (as of July 2000)

	British Columbia	Alberta	Saskat- chewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	New- foundland
Provincial personal income tax (as a percent of family income) ¹	5.3	5.2	6.8	6.4	4.1	8.1	6.4	6.3	6.3	7.0
Corporation income tax (per cent of taxable income) ²										
General rate	16.5	15.5	17.0	17.0	14.5	8.9/16.25	17.0	16.0	16.0	14.0
Small business rate	4.75	6.0	8.0	7.0	7.0	8.9	4.5	5.0	7.5	5.0
Corporation capital tax (per cent) ³										
Non-financial	0.3	Nil	0.6	0.3/0.5	0.3	0.64	0.3	5/0.25	Nil	Nil
Financial	1.0/3.0	7/1.0	7/3.25	3.0	6/72/9	1.53	3.0	3.0	3.0	4.0
Health care monthly premiums (individual/family) ⁴	\$36/\$72	\$34/\$68	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Payroll tax (per cent) ⁵	Nil	Nil	Nil	2.15	1.95	4.26	Nil	Nil	Nil	2.0
Insurance premium tax (per cent) ⁶	2.0-4.0	2.0-3.0	3.0-4.0	2.0-3.0	2.0-3.5	2.0-3.0	2.0-3.0	3.0-4.0	3.5	4.0
Fuel tax (cents per litre) ⁷										
Gasoline	11.0	9.0	15.0	11.5	14.7	19.2	10.7	13.5	13.0	16.5
Diesel	11.5	9.0	15.0	10.9	14.3	20.2	13.7	15.4	13.5	16.5
Sales tax (per cent) ⁸										
General rate	7.0	Nil	6.0	7.0	8.0	7.5	8.0	8.0	10.0	8.0
Liquor	10.0	Nil	7.0	7.0	12.0	7.5	8.0	8.0	37.5	8.0
Meals	Nil	Nil	Nil	7.0	8.0	7.5	8.0	8.0	10.0	8.0
Accommodation ⁹	8.0	5.0	6.0	7.0	5.0	7.5	8.0	8.0	10.0	8.0
Tobacco tax (dollars per carton of 200 cigarettes) ¹⁰	\$22.00	\$14.00	\$20.00	\$20.10	\$7.35	\$8.60	\$10.80	\$12.35	\$13.25	\$25.96

¹ Calculated for a two-income family of four with one spouse earning \$35,000 and the other \$20,000. Income taxes are based on basic personal credits, applicable provincial credits and typical major deductions.

² Alberta, Saskatchewan, Ontario, Prince Edward Island and Newfoundland have lower rates for manufacturing and processing. British Columbia, Newfoundland, Nova Scotia and Quebec have corporate income tax holidays for eligible new businesses.

³ The British Columbia rates apply only to corporations with paid-up capital in excess of \$3.5 million; Ontario has lower rates for corporations with less than \$2.8 million in taxable capital. Ontario levies a 10% surcharge on certain large banks. Large Saskatchewan resource corporations are assessed a 3.6 per cent surcharge on the value of Saskatchewan resource sales. Quebec financial rate includes a 0.25 per cent additional "compensation tax". The Nova Scotia tax is scheduled to end after March 31, 2002.

⁴ British Columbia has a two-person rate of \$64 per month. British Columbia and Alberta offer premium assistance in the form of lower rates or an exemption from premiums for lower-income individuals and families.

⁵ Manitoba, Ontario and Newfoundland provide payroll tax relief for small businesses.

⁶ The lower rate applies to premiums for life, sickness and accident insurance; the higher rate applies to premiums for property insurance. The rate on automobile insurance is 4 per cent in British Columbia and Saskatchewan, and 3 per cent in Ontario. Sales tax applies to insurance premiums, except those related to individual life and health, in Ontario (8 per cent), Newfoundland (12 per cent) and Quebec (9 per cent). The sales tax is 5 per cent for auto insurance in Quebec and Ontario.

⁷ Tax rate is for regular unleaded fuel used on highways. The British Columbia rate includes three cents per litre dedicated to the BC Transportation Financing Authority, one cent per litre dedicated to the British Columbia Ferry Corporation and four cents per litre dedicated to TransLink, Vancouver's regional transportation authority. The rates do not include regional taxes. The Quebec rate includes estimated sales tax.

⁸ The Quebec and Prince Edward Island tax rates are imposed on top of the federal goods and services tax.

⁹ The British Columbia rate includes 1.65 percentage points, collected on behalf of Tourism British Columbia.

¹⁰ Includes estimated provincial sales tax where applicable.

Table A2.27 Summary of Major Tax Changes Announced in 2000**Income Tax Act****Personal:**

- Provincial personal income tax calculation is changed to a tax on income system from a tax on tax system effective for the 2000 tax year. Under the new system the province sets its own non-refundable tax credits, tax rates and corresponding tax brackets. The new provincial tax structure provides a tax reduction for 2000, future tax cuts for 2001, and indexing, based on the BC Consumer Price Index, of tax brackets and most non-refundable credits to prevent automatic increases in tax due to inflation.

Corporate:

- The provincial small business rate is decreased to 4.75 per cent from 5.5 per cent effective July 1, 2000.
- A 3 per cent non-refundable tax credit is introduced for purchases, after March 31, 2000, of new machinery, equipment and buildings for use in manufacturing and processing.

Corporation Capital Tax Act

- As previously announced, the exemption threshold is increased from \$2.5 million to \$3.5 million effective January 1, 2000. The threshold will be increased again to \$5 million effective January 1, 2001.
- Due to recent changes in the federal *Bank Act*, foreign banks are now able to establish operations in Canada through branches. New rules for calculating aggregate paid up capital for foreign bank branches are introduced to ensure that foreign branches will be treated in a manner that is equitable for domestic banks and foreign bank subsidiaries that are currently operating in British Columbia.

Social Service Tax Act

- Effective April 1, 2000, exemptions provided for software used to develop new software for resale and to configure software subject to certain conditions. Also, effective April 1, 2000, the registration and tax collection requirements for out-of-province vendors is expanded and the definition of *fixtures* is modified.

School Act

- For 2000, maintains average gross residential school taxes at 1999 levels by adjusting school property tax rates in response to changes in average assessed values. A separate residential tax rate is set for each school district. Some homeowners will experience an increase in their school taxes, while others will have offsetting reductions.
- For each of the eight non-residential property classes, a single, province-wide rate is set. Non-residential school tax rates will remain unchanged from 1999 levels. The average non-residential property tax levels will decrease slightly in 2000. Individual property tax bills for non-residential property owners may rise or fall.

Taxation (Rural Area) Act

- Maintains average gross residential rural area taxes at 1999 levels by increasing the province's residential rural area tax rate to reflect the small decrease in average assessed values.

Motor Fuel Tax Act

- The tax on natural gas used to power compressors to extract natural gas from wells and transport it to processing plants will be phased out over two years.
 - Effective April 1, 2000, the tax rate is reduced from 1.9 cents to 1.1 cents per 810.32 litres.
 - Effective April 1, 2001, the tax rate will be reduced to 0.55 cents per 810.32 litres.
 - Effective April 1, 2002, the tax will be eliminated.
- Effective April 1, natural gas used to power compressors to transport and re-inject sour gas into depleted wells is exempt from tax.
- Effective April 1, 2000, the portion of tax on clear gasoline and diesel fuel transferred to the BC Transportation Financing Authority is increased by ¼ cent to 3.25 cents per litre.

Appendix 3.1: Lieutenant Governor, Executive Council and Members of the Thirty-sixth Legislative Assembly (as of March 2000)

Legislative powers in British Columbia are exercised by a single legislative chamber, which is elected for a term of up to five years. The legislative assembly represents the people of British Columbia in the conduct of the province's affairs. The assembly is required by law to meet at least once a year with a normal session lasting several months. However, special sessions can last just a few days or many months, depending on the nature of the government's business. The legislature, which consists of the Lieutenant Governor and 75 elected members of the legislative assembly, is comprised as follows:

LIEUTENANT GOVERNOR

His Honour the Honourable Garde B. Gardom, Q.C.

EXECUTIVE COUNCIL (Cabinet)

Premier and President of the Executive Council	Honourable Ujjal Dosanjh
Minister of Aboriginal Affairs	Honourable Dale Lovick
Minister of Advanced Education, Training and Technology and Minister Responsible for Youth	Honourable Graeme Bowbrick
Minister of Agriculture, Food and Fisheries and Minister Responsible for Rural Development	Honourable Corky Evans
Attorney General and Minister Responsible for Human Rights	Honourable Andrew Petter
Minister for Children and Families	Honourable Gretchen Mann Brewin
Minister of Community Development, Cooperatives and Volunteers	Honourable Jenny Kwan
Minister of Education	Honourable Penny Priddy
Minister of Employment and Investment	Honourable Gordon Wilson
Minister of Energy and Mines and Minister Responsible for Northern Development	Honourable Dan Miller
Minister of Environment, Lands and Parks	Honourable Joan Sawicki
Minister of Finance and Corporate Relations	Honourable Paul Ramsey
Minister of Forests	Honourable Jim Doyle
Minister of Health and Minister Responsible for Seniors	Honourable Mike Farnworth
Minister of Labour and Deputy Premier	Honourable Joy MacPhail
Minister of Multiculturalism and Immigration and Minister Responsible for the Public Service	Honourable Sue Hammell
Minister of Municipal Affairs	Honourable Cathy McGregor
Minister of Small Business, Tourism and Culture	Honourable Ian Waddell
Minister of Social Development and Economic Security	Honourable Jan Pullinger
Minister of Transportation and Highways	Honourable Harry Lali
Minister of Women's Equality	Honourable Joan Smallwood

PARLIAMENTARY SECRETARIES

Premier	John Cashore
Minister of Advanced Education, Training and Technology	Steve Orcheron
Minister of Agriculture, Food and Fisheries	Ed Conroy
Minister of Children and Families	Evelyn Gillespie
Minister of Energy and Mines	Fred Randall
Minister of Environment, Lands and Parks	Bill Goodacre
Minister of Forests	Glenn Robertson
Minister of Health	Rick Kasper
Minister of Small Business, Tourism and Culture	Pietro Calendino
Minister of Transportation and Highways	Erda Walsh

Speaker: Honourable Bill Hartley

Deputy Speaker: Tim Stevenson

Leader of the Official Opposition: Gordon Campbell

Clerk of the Legislative Assembly: E. George MacMinn, Q.C.

Sergeant-at-Arms: Anthony A. Humphreys

Members of the Legislative Assembly	Political Party	Electoral District
Abbott, George	Liberal	Shuswap
Anderson, Val	Liberal	Vancouver-Langara
Barisoff, Bill	Liberal	Okanagan-Boundary
Boone, Lois	New Democrat	Prince George-Mount Robson
Bowbrick, Hon. Graeme	New Democrat	New Westminster
Brewin, Hon. Gretchen Mann	New Democrat	Victoria-Beacon Hill
Calendino, Pietro	New Democrat	Burnaby North
Campbell, Gordon	Liberal	Vancouver-Point Grey
Cashore, John	New Democrat	Coquitlam-Maillardville
Chong, Ida	Liberal	Oak Bay-Gordon Head
Clark, Christy	Liberal	Port Moody-Burnaby Mountain
Clark, Glen	New Democrat	Vancouver-Kingsway
Coell, Murray	Liberal	Saanich North and the Islands
Coleman, Rich	Liberal	Fort Langley-Aldergrove
Conroy, Ed	New Democrat	Rossland-Trail
Dalton, Jeremy	Liberal	West Vancouver-Capilano
de Jong, Michael	Liberal	Matsqui
Dosanjh, Hon. Ujjal	New Democrat	Vancouver-Kensington
Doyle, Hon. Jim	New Democrat	Columbia River-Revelstoke
Evans, Hon. Corky	New Democrat	Nelson-Creston
Farnworth, Hon. Mike	New Democrat	Port Coquitlam
Farrell-Collins, Gary	Liberal	Vancouver-Little Mountain
Giesbrecht, Helmut	New Democrat	Skeena
Gillespie, Evelyn	New Democrat	Comox Valley
Goodacre, Bill	New Democrat	Bulkley Valley-Stikine
Hammell, Hon. Sue	New Democrat	Surrey-Green Timbers
Hansen, Colin	Liberal	Vancouver-Quilchena
Hartley, Hon. Bill	New Democrat	Maple Ridge-Pitt Meadows
Hawkins, Sindi	Liberal	Okanagan West
Hogg, Gordon	Liberal	Surrey-White Rock
Janssen, Gerard	New Democrat	Alberni
Jarvis, Daniel	Liberal	North Vancouver-Seymour
Kasper, Rick	New Democrat	Malahat-Juan de Fuca
Krueger, Kevin	Liberal	Kamloops-North Thompson
Kwan, Hon. Jenny	New Democrat	Vancouver-Mount Pleasant
Lali, Hon. Harry	New Democrat	Yale-Lillooet
Lovick, Hon. Dale	New Democrat	Nanaimo
MacPhail, Hon. Joy	New Democrat	Vancouver-Hastings
McGregor, Hon. Cathy	New Democrat	Kamloops
McKinnon, Bonnie	Liberal	Surrey-Cloverdale
Masi, Reni	Liberal	Delta North
Miller, Hon. Dan	New Democrat	North Coast
Nebbeling, Ted	Liberal	West Vancouver-Garibaldi
Nettleton, Paul	Liberal	Prince George-Omineca
Neufeld, Richard	Liberal	Peace River North
Orcherton, Steve	New Democrat	Victoria-Hillside
Penner, Barry	Liberal	Chilliwack
Petter, Hon. Andrew	New Democrat	Saanich South
Plant, Geoff	Liberal	Richmond-Steveston
Priddy, Hon. Penny	New Democrat	Surrey-Newton
Pullingar, Hon. Jan	New Democrat	Cowichan-Ladysmith

Ramsey, Hon. Paul	New Democrat	Prince George North
Randall, Fred	New Democrat	Burnaby-Edmonds
Reid, Judith	Liberal	Parksville-Qualicum
Reid, Linda	Liberal	Richmond East
Robertson, Glenn	New Democrat	North Island
Roddick, Val	Liberal	Delta South
Sanders, April	Liberal	Okanagan-Vernon
Sawicki, Hon. Joan	New Democrat	Burnaby-Willingdon
Sihota, Moe	New Democrat	Esquimalt-Metchosin
Smallwood, Hon. Joan	New Democrat	Surrey-Whalley
Stephens, Lynn	Liberal	Langley
Stevenson, Tim	New Democrat	Vancouver-Burrard
Streifel, Dennis	New Democrat	Mission-Kent
Symons, Doug	Liberal	Richmond Centre
Thorpe, Rick	Liberal	Okanagan-Penticton
van Dongen, John	Liberal	Abbotsford
Waddell, Hon. Ian	New Democrat	Vancouver-Fraserview
Walsh, Erda	New Democrat	Kootenay
Weisbeck, John	Liberal	Okanagan East
Weisgerber, Jack	Independent	Peace River South
Whittred, Katherine	Liberal	North Vancouver-Lonsdale
Wilson, Hon. Gordon	New Democrat	Powell River-Sunshine Coast
Wilson, John	Liberal	Cariboo North
Zirnhelt, David	New Democrat	Cariboo South

Party standings: New Democrat 40; Liberal 34; Independent 1; Total 75.

The Cabinet Committee Structure

The objective of the Cabinet committee system is to provide for an efficient process for managing the numerous and complex decisions requiring Cabinet attention. The system consists of Cabinet, Treasury Board, the Cabinet Committee on Regulations and Orders in Council, other statutory committees of Cabinet and specific time-limited committees established by the Premier. Two major elements of the Cabinet committee system are described below.

Cabinet— Cabinet is the ultimate decision-making body in government and is accountable for all government decisions. Proposals are not approved until reviewed by Cabinet, but the analysis and discussion of a proposal may be delegated to a Cabinet committee. Cabinet's focus is on discussion of strategic priorities and substantive issues, and acceptance or rejection of recommendations in relation to these.

Treasury Board — Treasury Board is a statutory body with roles and responsibilities set out in the *Financial Administration Act*. The board is chaired by the Minister of Finance and Corporate Relations. The board deals with any issue that is largely financial in nature, particularly those involving significant expenditure decisions and those related to the province's annual budget and estimates process (including economic and revenue forecasts). The board reviews subsidy and dividend levels, fee and licence rates, rates of return and capital project evaluation standards for Crown corporations and receives the operations and management audits of these corporations. The board also determines government accounting policies and practices.

Legislative Committees

Committees are appointed by the Legislative Assembly to undertake business on behalf of the Assembly and are composed of between 10 to 12 members. At the end of its deliberations, a committee must report its findings and recommendations to the Legislative Assembly. There are 15 permanent select standing committees in the Legislative Assembly as set out under Standing Order 68 (1) (for a listing, visit the legislative web site at www.legis.gov.bc.ca). Special committees are also established to examine specific issues.

In recent years, committees have investigated a variety of topics including earthquake preparedness, agricultural and food policy, lumber remanufacturing and the Nisga'a agreement in principle.

Statutory Officers

Statutory Officers play an important role in the process of holding the government accountable to the Legislative Assembly and the public. They assist the Members of the Legislative Assembly with the monitoring and assessing of government programs, procedures, and performance. Statutory Officers serve for fixed terms, which vary according to the statute governing each position. The current Statutory Officers serving the Legislative Assembly are:

Elections BC — responsible for the impartial administration of the provincial elections and referendums, recalls and initiatives, as well as voter registration and outreach.

Office of the Auditor General — provides independent assessments of the financial statements provided by government to the legislative assembly. The Auditor General also audits and evaluates government operations, reliability of financial reporting and compliance with applicable laws and regulations. In addition, the Auditor General recommends ways to improve public-sector administration.

Office of the Child, Youth and Family Advocate — ensures that the rights and interests of children, youth and their families relating to designated services are protected and advanced, and that children and youth have access to appropriate and effective review and appeal processes. The advocate supports, promotes and coordinates the establishment of advocacy services for children, youth and their families in their local communities, and provides information and advice to government and communities about designated services for these groups. The advocate reports annually to the legislature and may make recommendations about legislation, policies and practices respecting services for, or the rights of, children, youth and their families.

Office of the Conflict of Interest Commissioner — annually prepares and files a public disclosure statement with respect to the financial affairs of each member of the legislative assembly. The commissioner also responds to requests for opinions and advice with respect to compliance with the *Members' Conflict of Interest Act* from individual members, the executive council and the legislative assembly; and, when requested, provides an opinion on allegations of contravention of the act. The commissioner files an annual report with the assembly and may, at the request of the executive or the legislative assembly, undertake and report on any assignment the commissioner considers appropriate.

Office of the Information and Privacy Commissioner — the commissioner is responsible for monitoring and enforcing compliance with the *Freedom of Information and Protection of Privacy Act*. The act provides for public access to records held by public bodies and defines limited exceptions to the right of access. It also establishes strict standards about how public bodies collect, use and disclose personal information, and guarantees the individual's right to see that information and to make corrections. Any applicant who is denied access to information by a decision of a public body may ask the commissioner to review the decision. The commissioner has the power to issue binding orders with which the government must comply within 30 days.

Office of the Ombudsman — the ombudsman is responsible for investigating complaints of unfair administrative practices within provincial government ministries, Crown corporations and certain other public authorities including schools, school boards, colleges, universities, hospitals and the governing bodies of professional and occupational associations.

Office of the Police Complaints Commissioner — provides independent civilian oversight of all aspects of an investigation into complaints made against municipal constables, deputy chief constables, chief constables and municipal police departments. The commissioner has specific powers to direct that a complaint concerning the police be reclassified or reinvestigated, investigated by an outside police department or that an investigation be monitored by an independent civilian observer appointed by the commissioner. The commissioner may also order that a public hearing take place before a provincial court judge if it is in the public interest, and may ask the Attorney General to order a broader public inquiry under the *Inquiry Act*.

Appendix 3.2: Government Agents (at August 2000)

Government Agents offices are located in the following 59 communities, where they provide the public with one-stop access to provincial government information and services.

Some of the services offered through Government Agents are: drivers' licences and renewals; registration and certification of vital statistics information (marriages, births, deaths, name changes, will searches); hunting and fishing licences and regulations; taking of affidavits; information concerning landlord/tenant matters; and a place to make payments to the province, including court and other fines. Government Agents can provide access to databases through BC OnLine (land titles, personal property and corporate registries). They also have information on consumer tax, land tax, mining claims and registration, Medical Services Plan, Crown lands and the Small Business Database. Information on other services provided is also available on the Internet at www.governmentagents.sb.gov.bc.ca.

Nineteen of the 59 Government Agents offices are Access Centres. These centres group together staff from various ministries in the community to cost-effectively and efficiently deliver "one-stop shopping" for government services. This common counter approach provides improved access to a number of widely used programs.

Location	Telephone Area Code (250)	Government Agent	Location	Telephone Area Code (250)	Government Agent
Ashcroft.....	453-2412	Walter Poohachoff	Nakusp.....	265-3646	Judy Young
Atlin.....	651-7595	Glen Ferrier	Nanaimo*.....	741-3636	Chris Reich
Bella Coola.....	799-5361	Chris Millham	Nelson*.....	345-6104	Barb Henry
Burns Lake.....	692-7117	Emiko Fukushima	Oliver.....	498-3818	Doug Blatchford
Campbell River*.....	286-7555	Jeff MacKenzie	100 Mile House.....	395-5595	Erich Breitreuz
Chetwynd.....	788-2239	Marty Nelson	Penticton.....	492-1211	Jim Torrance
Chilliwack*.....	795-8415	Jim Hay	Port Alberni.....	724-9200	Sven Buemann
Clinton.....	459-2268	Walter Poohachoff	Port Hardy.....	949-6323	Bill Newman
Courtenay*.....	897-7500	Daryl Egeland	Powell River.....	485-3622	Robert Woods
Cranbrook*.....	426-1211	Kent Saxby	Prince George*.....	565-4488	Bill Christie
Creston.....	428-3211	Irene Walker	Prince Rupert.....	624-7415	Ean Gower
Dawson Creek*.....	784-2224	Wendy Benham	Princeton.....	295-6957	Cheryl McEvoy
Dease Lake.....	771-3700	Garry Fuhr	Queen Charlotte City.....	559-4452	Andrea deBucy
Duncan*.....	746-1400	Byron Johnston	Quesnel.....	992-4313	Bob Jaskela
Fernie.....	423-6845	Sharon Arola	Revelstoke.....	837-7636	Phil Welock
Fort Nelson.....	774-6945	Jeanette Hall	Salmon Arm*.....	832-1611	Franco Marolla
Fort St. James.....	996-7585	Louly Thomson	Sechelt.....	885-5187	Gary Swift
Fort St. John*.....	787-3350	Marie Moore	Smithers*.....	847-7207	Don McMillan
Ganges.....	537-5414	Byron Johnston	Sparwood.....	425-6363	Sharon Arola
Golden.....	344-7550	Dodie Hodgins	Squamish.....	892-2400	Lorne Wilson
Grand Forks.....	442-5444	Dan Martin	Stewart.....	636-2294	Les Deacon-Rogers
Houston.....	845-2990	Don McMillan	Terrace*.....	638-6515	Randy Trombley
Invermere.....	342-4260	Kent Saxby	Trail*.....	364-0591	Kent Saxby
Kamloops.....	828-4540	Walter Poohachoff	Ucluelet.....	726-7025	Jim Spalding
Kaslo.....	353-2219	Barb Henry	Valemount.....	566-4448	Lidwina Flavell
Kitimat.....	632-6188	Gordon Fox	Vanderhoof*.....	567-6301	Evan Lomas
Lillooet.....	256-7548	Bob Hall	Vernon*.....	549-5511	Franco Marolla
Mackenzie.....	997-4270	Sarah Smith	Victoria.....	356-7915	Darlene Driediger
Maple Ridge.....	467-6901	Sandy Lane	Williams Lake*.....	398-4211	Eric Breitreuz
Merritt*.....	378-9343	Gordon Swan			

* Access Centre.

Appendix 3.5: Major British Columbia Crown Corporations and Agencies¹ (as of August 2000)

Corporate Entity	Address and Telephone Number	Minister Responsible	Functions
Commercial:			
British Columbia Hydro and Power Authority	333 Dunsmuir Street Vancouver, B.C. V6B 5R3 (604) 528-1600	Minister of Energy and Mines and Minister Responsible for Northern Development	Generation, transmission and distribution of electricity.
British Columbia Lottery Corporation	74 West Seymour Street Kamloops, B.C. V2C 1E2 (250) 828-5500 (Kamloops) (604) 270-0649 (Richmond)	Minister of Labour	Develop, conduct and manage lottery operations on behalf of the provincial government and in conjunction with other provinces.
British Columbia Railway Company	Box 8770 Vancouver, B.C. V6B 4X6 (604) 986-2012	Minister of Energy and Mines and Minister Responsible for Northern Development	Operation of a railway, deep-sea terminal facilities, stevedoring operations, real estate development company and joint venture management company.
Columbia Power Corporation	PO Box 9136 Stn Prov Govt 3rd Floor, 844 Courtney Street Victoria, B.C. V8W 9B5 (250) 953-5179	Minister of Agriculture, Food and Fisheries and Minister Responsible for Rural Development	Develop and operate power projects in the Columbia Basin Region.
Insurance Corporation of British Columbia	151 West Esplanade North Vancouver, B.C. V7M 3M9 (604) 661-2800	Minister of Labour	Provision of automobile insurance.
Liquor Distribution Branch	2625 Rupert Street Victoria, B.C. V5M 3T5 (604) 252-3150	Minister of Small Business, Tourism and Culture	Purchase, distribution and sale of alcoholic beverages.
Economic Development:			
BC Transportation Financing Authority	300, 940 Blanshard Street Victoria, B.C. V8W 3E6 (250) 356-0981	Minister of Transportation and Highways	Provide planning and integrated coordination for the construction of all aspects of provincial transportation infrastructure.
B.C. Pavilion Corporation	600 - 375 Water Street Vancouver, B.C. V6B 5C6 (604) 482-2000	Minister of Small Business, Tourism and Culture	Management of public facilities including Vancouver Convention and Exhibition Centre, the Bridge Studios and BC Place Stadium.
British Columbia Ferry Corporation	1112 Fort Street Victoria, B.C. V8V 4V2 (250) 381-1401	Minister of Labour	Operation of coastal ferry service.
British Columbia Transit	520 Gorge Road East Victoria, B.C. V8W 2P3 (250) 385-2551	Minister of Advanced Education, Training and Technology and Minister Responsible for Youth	Provision and maintenance of public transportation systems.
Fisheries Renewal BC	780 Blanshard Street Victoria, B.C. V8W 9M2	Minister of Agriculture, Food and Fisheries and Minister Responsible for Rural Development	Promote protection and conservation of fish stocks and habitat, and strengthen fishing communities.
Forest Renewal BC	9th Floor, 727 Fisgard Street Victoria, B.C. V8V 1X4 (250) 387-2500	Minister of Forests	Oversees spending of funds into forest renewal activities.
Okanagan Valley Tree Fruit Authority	Box 6000 Summerland, B.C. V0H 1Z0 (250) 494-5021	Minister of Agriculture, Food and Fisheries and Minister Responsible for Rural Development	Assist orchardists in the British Columbia interior to revitalize the industry.
Pacific National Exhibition	Box 69020, Exhibition Park Vancouver, B.C. V5K 4W3 (604) 251-7703	Minister of Multiculturalism and Immigration and Minister Responsible for the Public Service	Management of the annual PNE fair and operation of Playland Amusement Park.



Appendix 3.3 Major British Columbia Crown Corporations and Agencies¹
(as of August 2000) — Continued

Corporate Entity	Address and Telephone Number	Minister Responsible	Functions
Economic Development (continued):			
Tourism British Columbia	Ste. 300, 1803 Douglas Street PO Box 9830, Stn Prov Govt Victoria, B.C. V8W 9W5 (250) 356-6363 (604) 660-2861	Minister of Small Business, Tourism and Culture	Promote development and growth in the tourism industry and increase revenue and employment throughout British Columbia.
Social and Government Services:			
British Columbia Assets and Land Corporation	5th Floor, 609 Broughton Street Victoria, BC V8W 9W6 (250) 356-1282	Minister of Agriculture, Food and Fisheries and Minister Responsible for Rural Development	Provides land marketing and management services to the provincial government.
British Columbia Assessment Authority	1537 Hillside Avenue Victoria, B.C. V8T 4Y2 (250) 595-6211	Minister of Municipal Affairs	Assessment of all real property within the province for taxation purposes.
British Columbia Buildings Corporation	3350 Douglas Street Victoria, B.C. V8Z 3L1 (250) 952-8500	Minister of Finance and Corporate Relations	Provision of accommodation and real estate services for government ministries and other publicly-funded organizations.
British Columbia Housing Management Commission	1701 - 4330 Kingsway Avenue Burnaby BC V5H 4S9 (604) 433-1711	Minister of Social Development and Economic Security	Management of provincial and federal/provincial housing units and administration of rent supplement programs.
Provincial Capital Commission	613 Pandora Avenue Victoria, B.C. V8W 1N8 (250) 386-1356	Attorney General and Minister Responsible for Human Rights	Enhancement of the Capital Improvement District and management of properties under the commission's control.
Provincial Rental Housing Corporation	1701 - 4330 Kingsway Avenue Burnaby, B.C. V5H 4S9 (604) 433-1711	Minister of Social Development and Economic Security	Holding of housing units managed by the British Columbia Housing Management Commission.

¹ For a comprehensive list of Crown corporations and agencies, refer to the *Public Accounts*.



BC STATS Product Descriptions

RELEASES:

Current Statistics — Monthly

This release lists the latest monthly and annual data on the labour force, consumer price index, production, and other important economic indicators.

Business Indicators — Monthly

Provides a range of up-to-date economic and financial data, including production and shipments for British Columbia's major industries.

Consumer Price Index — Monthly

Price trends in British Columbia, Vancouver and Victoria for various categories of consumer spending. Includes historical summaries and comparisons with major Canadian cities.

Exports (B.C. Origin) — Monthly

British Columbia exports to major trading partners and blocs. Exports of more than 50 selected items to the U.S.A., Japan and the European Union are included.

Tourism Sector Monitor (formerly Tourism Room Revenue) — Monthly

Revenues received from room rentals by type of accommodation, with a geographic breakdown by development region, regional district, and selected urban areas.

Small Business Quarterly — Quarterly

A variety of data series on, or of interest to, small business in British Columbia. Replaces the monthly *Business Formations and Failures*.

Earnings and Employment Trends — Monthly

A comprehensive look at the labour market in B.C., providing sectoral analysis of the B.C. labour force and its wage structure.

Labour Force Statistics — Monthly

A monthly summary of labour force conditions, showing employment and unemployment by age, sex, occupation and industry, with regional breakdowns.

Immigration Highlights — Quarterly

Features immigrant landings to British Columbia and Canada by place of origin, destination and immigration status: independent or dependent, entrepreneur, and investor.

Migration Highlights — Quarterly

Detailed current information on the flow of people between British Columbia and other provinces and territories. Also contains components of population change.

Quarterly Regional Statistics — Quarterly

Organized by region, and features current monthly and quarterly economic data. Includes charts and tables. Approximately 240 pages.

Major Projects Inventory

Information on major capital projects, listed by development region and status (proposed, under construction, on hold, or completed.) Also includes regional profiles and maps.

PUBLICATIONS:

Financial and Economic Review — Annual

A valuable source of information on the province—its regions, provincial government programs and finances, economic growth and development, and demographic trends.

Economic Accounts — Annual

Detailed look at the composition of B.C.'s economy, the contribution of industrial sectors and their change over time. Tables include income and expenditure accounts, current and constant dollar estimates, and price deflators.

Manufacturers' Directory — Annual

This publication details over 7,200 manufacturers, including employment size, commodities produced, export status and a contact name and address.

Socio-Economic Statistical Profiles — Annual

Individual profiles for 8 Development Regions and 28 Regional Districts. Includes tables and charts covering population growth, ethnic identity, migration, family structure, labour market, income, unemployment, social assistance, crime, alcohol consumption, education and health.

Community Facts — Semi-Annual

Provides, for each municipality and regional district, a two-page compendium of statistics comparing local data to that of the province. Some text, tables and charts. Also available on our web site.

Community Profiles — Continuously updated

This series of 28 documents combines a wide array of statistical information gathered from many sources, and provides a comprehensive demographic and economic profile for each Regional District. Each profile comes in a 3-ring binder, containing 200–400 pages of documentation, maps and data, providing a wealth of information in one convenient place.

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